

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, I wonder whether the distinguished Senator from South Carolina would postpone his request for a few moments. I should like to consult the ranking minority member of the Committee on Post Office and Civil Service. I understood the matter was not to be brought up at this time.

Mr. JOHNSTON of South Carolina. I withheld my motion yesterday. I understood it would not be brought up then. I have discussed the matter with the Senator from Kansas [Mr. CARLSON]. I told him what I was going to do.

Mr. KNOWLAND. As a matter of courtesy I should like to have the opportunity to discuss the matter with him before conferees are appointed.

Mr. JOHNSTON of South Carolina. Very well.

The PRESIDING OFFICER. The message will be temporarily laid aside. The Senator from Minnesota has the floor.

Mr. JOHNSON of Texas subsequently said: Mr. President, will the Senator from Minnesota [Mr. HUMPHREY] yield to me briefly so that conferees may be appointed on the postal-rate bill? I must leave the Chamber, and the Senator from South Carolina [Mr. JOHNSTON] would like to move that conferees be appointed.

Mr. JOHNSTON of South Carolina. Mr. President, I have already moved that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate. I renew my motion.

The motion was agreed to; and the Presiding Officer (Mr. LAUSCH in the chair) appointed Mr. JOHNSTON of South Carolina, Mr. MONROE, and Mr. CARLSON conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I wish to direct my attention for a few moments to the full context of S. 3420, to extend and amend the Agricultural Trade Development and Assistance Act of 1954. I also wish to comment upon some of the observations which have been made relating to the bill and the amendments included therein—observations made by my colleagues in the Senate and observations made by the Department of Agriculture in its letter of March 11, signed by Mr. Benson, which letter was referred to in yesterday's debate.

Consistent with our desire to utilize more of our agricultural surpluses, and at the same time spread the benefits of the program to our own country as well as to foreign nations, we found it

necessary to reexamine and restudy certain portions of the law relating to the so-called barter program.

Mr. President, the committee report gives a section-by-section analysis. As I gather, the main area of discussion in the Senate is over the barter provisions. I believe it is pretty well agreed that the other provisions are acceptable and desirable.

There are those who wonder why we should ask for a 2-year extension of the Act. The answer is that the farm organizations which have testified in behalf of the program every year have indicated the desirability of having at least a 2-year authorization, in order to give the Department of Agriculture the flexibility which is needed to enable it properly to administer the law. Many times agreements are in the process of being entered into but are not completed at the end of a fiscal year merely because the authorization was not a continuing one. Then after Congress has again authorized the program on a year-to-year basis, the negotiations are picked up again and started anew, thereby requiring a considerable loss of time and, at the same time, a loss of markets.

Section 1 provides the authorization on a fiscal year basis of \$1,500 million, a year. That is at the rate the administration is asking for. There is no reason to believe that the program will not be needed for at least another year beyond the present fiscal year. As a matter of fact, it is my belief that Public Law 480 will become a definite part of our overall foreign economic policy and our overall agricultural policy for several years to come. I am convinced in my own mind that, no matter what efforts are made to bring production into balance with demand, such efforts will not be fully successful. Therefore, we will need a constructive outlet for the abundance of our food and fiber.

Very frankly, Mr. President, Public Law 480 is the most constructive agricultural legislation of recent years. It is more than agricultural legislation. It is the beginning of a sound foreign economic policy. It is a vital part of our national security. It represents a new tool in our foreign policy, a new application of the resources of our country to the constructive ends of peace, security, and progress throughout the world.

We propose to amend the law so as to make available some of the foreign currencies generated to provide assistance in the "expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

Stated in layman's language, the amendment simply provides that when American food is sold to a friendly nation, that part of the proceeds obtained by our Government from the sale of the food may, by agreement, be designated

for educational purposes. For example, some of the great American universities overseas, such as Roberts College, in Turkey, the American University in Beirut, Lebanon, the American University in Cairo, and many other overseas institutions, are desperately in need of additional economic assistance. Since they are located in foreign countries, they can utilize foreign currency.

In countries where sales of American surplus agricultural commodities are made, and foreign currency thereby obtained, we will make available, under the terms of the amendment, a portion of that money to American educational establishments.

In 1953 President Eisenhower suggested in a speech at Baylor University, Waco, Tex., that the United States engage in a program of vocational education and aid to technical schools throughout the world, especially in the underdeveloped areas and among the underprivileged peoples. That was an excellent speech. I checked the CONGRESSIONAL RECORD and found that it was heralded in the Senate. The President received praise for his worthy motives. The only thing is that nothing was ever done about it. This amendment makes it possible to do something about it.

In other words, American wheat can be converted into education; American cotton can be converted into vocational education and technical aid for countries with which the United States has alliances, treaties, mutual-security arrangements, or mutual-assistance pacts, or wherever we believe it would be desirable or helpful to our national defense and foreign policy. I am convinced that the provisions in the bill for the expansion of educational establishments by the use of Public Law 480 funds are highly desirable.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I received yesterday from the National Farmers Union, endorsing the extension of Public Law 480 and S. 3420, which is now before the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 18, 1958.
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Over 600 delegates meeting now at National Farmers Union Convention in Denver, unanimously urge your support of Public Law 480 extension, as reported by Senate Agricultural Committee.

JAMES G. PATTON,
President, National Farmers Union.

Mr. HUMPHREY. Mr. President, I shall confine the remainder of my remarks to section 303 of the bill, even though I must say that title I and title II of the bill, the parts which relate to the sales of our surplus commodities for foreign currencies and contributions for famine relief, are undoubtedly the most significant portions of the bill or of the program under Public Law 480.

I also, in particular commend the voluntary agencies of the Nation, both sectarian and nonsectarian, for the wonderful work they have done in sending American food and fiber to needy peoples

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programs of charity and philanthropy. Make no mistake about it, the food programs of the Nation, particularly the programs which are conducted by the great voluntary and religious groups of all denominations and faiths, are doing more to build good will for the United States than is any other single thing our Government does overseas.

Furthermore, those programs comport with the spirit of our country—the spirit of generosity, compassion, and humanitarianism.

So I pay tribute to the great work of the voluntary organizations of church groups of the Catholic, Protestant, and Jewish faiths, and other groups like CARE, because they have extended the hand of mercy and helpfulness by the use of American surplus foods in their programs of relief and charity overseas. A little more of this kind of policy on the part of our country, such as the work accomplished through the voluntary groups, and there will be much less tension and a much greater hope for peace throughout the world.

I take the time of the Senate to mention this because I am convinced that far too few people in America really know what a blessing it is to have an abundance of food and fiber. The abundance which is referred to as surplus is one of our truly great material and spiritual assets. I often think what a terrible thing it would be if our Nation was not in a position, because of its abundance, to help those who really need help. I wonder how the American people would feel if we had programs forced upon us by some of the tough-minded economists and economizers, who have talked about bringing production into balance with domestic demand, if such a situation had happened when literally thousands and thousands of our friends were starving to death, and we were choking off food production in America simply to satisfy an economic theory.

The use of all surplus foods and fibers has been a positive asset for peace. In the years to come, we should plan to have extra food and fiber for our foreign policy needs, for our national security needs, and for the humanitarian needs of the people of not only America, but of the world.

I hope that some day Congress will stop talking about having an agricultural policy which will only be one of strictly supply and demand. Nothing could be more cruel, nothing could be more ruthless, nothing could be more un-Christian, nothing could be more un-American. What is really needed is sufficient food and fiber to meet our domestic needs, and, at the same time, to extend the warm hand of compassion to people who need help. This our country can afford to do.

When I have heard what the cost will be, as it relates to Public Law 480, the cost is immaterial. As a matter of fact, the cost is insignificant as compared with the cost which is now being incurred by Congress in many areas of activity. I think of the utter futility of the arms race, which no one can want, an arms race into which we are about

to enter. I think of the billions of dollars we are not smart enough to know what else to do, because of the ruthlessness of Soviet tyranny. Such an arms race cannot lead to peace, but ultimately will lead to catastrophe, unless something is done about it. When I think of the futility of that arms race and its cost, I am amazed to hear anyone comment, even momentarily, on the cost of our program in regard to surplus food and fiber. As a matter of fact, the cost of the failures in the attempts to launch missiles has been as great as the cost of the donation programs for all our church organizations all over the world. What is more, under Title I of the bill we shall be able to sell a great deal of food and fiber in other countries. Under Title I, we shall obtain currencies—not dollars—of the recipient countries.

I have heard some say that the currencies of some countries are not worth very much. I submit that is a very unfair reflection upon some of our allies. I wish to say now that the currency of Greece is worth something; it is worth the integrity of Greece. And Greece is a faithful ally of our country. It ill behooves any Member of Congress or anyone else to say that the currencies of some of these countries which are our allies, lack worth or value. But upon occasion I have heard some reflection upon the currency of countries such as Turkey. However, Mr. President, I say that Turkey, with her 32 divisions, is worth all the food the United States of America can give her, and then some—currency or no currency.

There happen to be more than five million men in the ground forces of our allies who are joined with us in mutual security. If those five million men were not there, we would have to have five million additional men in the Armed Forces of the United States, because the ultimate target of Soviet aggression is the United States of America.

So, Mr. President, whatever we have to pay or whatever we may have to do in order to be assured of the friendship, the loyalty, and the allegiance of peoples elsewhere, is all to our benefit.

Mr. President, I mention these things simply because some Members will discuss certain portions of the bill and will attempt to make it appear that there is something drastically wrong. They will literally discuss a detail when, in fact, what we are discussing and what we should be thinking about is the grand design, the total, overall operation of a foreign economic policy, of which food and fiber are integral parts.

Mr. LONG. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. TAMMAGE in the chair). Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield.

Mr. LONG. Is it not possible to make these arrangements so that the loans will be paid off in dollar equivalents? In other words, if the foreign country were to inflate its currency, it would then make a larger monthly payment to the United States, in order to offset or pro-

vide for the difference in the exchange of currencies.

Mr. HUMPHREY. We do that under Public Law 480 agreements. In the agreements we include a cushion for the inflationary factor.

Mr. LONG. In that way we could protect ourselves, as regards repayment of the loans.

Would not it be possible for our country to spend some of those soft currencies for the purchase in those countries of various commodities and thereby tend to maintain their value?

Mr. HUMPHREY. Yes, indeed. In fact, I have repeatedly recommended to the executive branches of the Government that, where possible, we immediately utilize the currencies obtained from the sale of American surplus commodities for the purchase of materials, which may be needed for our purposes, in other parts of the world, particularly in the countries where the sales have been made.

Mr. LONG. Yes.

Mr. President, will the Senator from Minnesota yield for a further question?

Mr. HUMPHREY. I yield.

Mr. LONG. Does not our military-assistance program have the effect of helping the American manufacturer or producer make a profit, when our Government places with him an order to build a tank, for instance, because as a result of producing that commodity he receives some benefit and profit from the foreign-aid program?

On the other hand, is it not also possible that a farmer could be helped simply by the sale of some of our agricultural commodities? As a result, the United States could use the soft currency obtained by selling such agricultural commodities to pay the foreign country to produce a commodity which could be produced there, and in that way the farmer would be helped by the program.

Mr. HUMPHREY. Yes. As a matter of fact, the barter provisions of the bill make that possible.

Mr. LONG. Yes. So, while it is a good idea to help our industrial producers, it is also a good idea, in connection with the program, to give help to the American farmer.

Mr. HUMPHREY. Yes. I thank the Senator from Louisiana for his timely observation.

Mr. President, the argument on the bill seems to center around section 303, which provides for a revision of the barter section of Public Law 480.

The barter provisions of the bill, however, constitute only a small part of the total. The barter provisions are revised in the pending bill, simply because in recent months the Department of Agriculture refused to utilize the barter tool or the barter authority which was granted under Public Law 480, and which had been used for 2½ years. Suddenly the Department of Agriculture ended its use.

Yesterday, I stated candidly, frankly, and honestly that we had requested the Department of Agriculture to, suggest language which would be helpful in giving guidance to the Secretary, in order to facilitate the proper use of barter ar-

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arrangements. The response to that request from me is set forth in the first paragraph of the letter received on March 11 from the Secretary of Agriculture. The response is in the negative. I now read that part of the letter, which is addressed to the Senator from Louisiana [Mr. ELLENDER].

We have been requested by Senator HUMPHREY to give consideration to, and to report to your committee on, possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to \$500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes, short of the virtual nullification of the proposed change, which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

It is on that statement of opposition that considerable debate has already taken place in the Senate.

I should like to direct my attention, for a few moments, to the reason why I believe the opposition of the Department is unwarranted and cannot properly be validated or substantiated by the Department's arguments.

As I stated earlier, the method by which the Secretary of Agriculture—and let me say that here I refer to the Secretary only because he is the head official of the Department of Agriculture; actually, the one primarily involved is the head of the Commodity Credit Corporation—has killed the program has been one of interpreting certain language in existing law which permitted the Secretary of Agriculture to barter when he determined that such transactions afforded an opportunity to protect the funds and assets of the Commodity Credit Corporation. Based upon my study, and the studies which were made during the hearings, we have come to the conclusion, and therefore in this section are making the determination, that barter does protect the funds and the assets of the Commodity Credit Corporation.

The evidence on this point, which incidentally was furnished to us by the Department of Agriculture, cannot be legitimately contested. However, operating under their own interpretation of the present law, which interpretation, incidentally, was made more than 3 years before they started operating a sizable program, the Department of Agriculture established a requirement that before materials could be accepted in exchange for surplus agricultural commodities, the offerer either had to assure the Commodity Credit Corporation that the commodities going into a particular country were in addition to the normal cash sales, or sell them in certain specified countries where no certificate of additionality was required.

It is a matter of record, furnished, incidentally, by the Department of Agriculture, that from the time this requirement was established, which was May 28, 1957, until the end of October, or November 1, 1957, only one barter contract had been made, for a total of \$400,000.

That was in sharp contrast to the preceding months in 1957, when approximately \$20 million worth of contracts were being made each month. In fact, the Department of Agriculture's figures for 1956 indicate that they contracted for \$423 million worth of materials under barter arrangements.

I wish my colleagues to note that this so-called certificate of additionality has been predicated upon certain language in the present law. A certificate of additionality is not required by law. It is an interpretation of existing law carried out by administrative regulation.

I also want my colleagues to know that for more than 2 years no such certificate was required, and that even when barter arrangements were made, at the rate of about \$200 million a year, the Secretary of Agriculture never required any such certificate. What is more, during that time the Secretary had an arrangement which permitted the offerer of the barter to have the use of the proceeds from the sale of Commodity Credit Corporation goods, with no interest charged, which, of course, gave the offerer of the barter arrangement a considerable economic advantage.

All at once, on May 28, 1957, with little or no information given to anyone—and surely, to my knowledge, no information given to the Congress—despite 2½ years of experience under the present law, and with nothing in the testimony before any committee of Congress indicating anything wrong with the present law, the Department closed off barter, shut off the spigot, stopped the entire business, under the guise of new rules and regulations which they claimed were suddenly necessary.

Mr. President, one of two conclusions seems inevitable. Either for 2½ years the Department was guilty of gross mismanagement, or the ruling of May 28, 1957, was unwarranted. One or the other alternatives must be accepted. They cannot have it both ways, because if for 2½ years they did not need the ruling of May 28, if for 2½ years they did not need a certificate of additionality, if for more than 2½ years, during which almost \$1 billion worth of agricultural goods were bartered, the administrative action of May 28 was not needed, then apparently there was no reason why the action of May 28 was needed at all. Or, if it was needed, it was needed earlier, because the high rate of barter was in 1956. That was the year when most of the goods were bartered. I should like to know where the representatives of the Department of Agriculture were when there was bartering left and right, when parties were bartering on a very limited list of materials, most of which were diamonds. Were they asleep at the switch, Mr. President? Is this what we ought to be looking into? Should the Congress thoroughly investigate this matter and determine really what went on, because for more than 2½ years the Department of Agriculture did not require in its rules and regulations the language which was made effective on May 28, 1957?

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield.

It is a fact that the committee adopted the provision suggested by the distinguished Senator from Minnesota because the rules and regulations of May 28, 1957, actually killed off barter?

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. I understand the distinguished Senator proposes to offer an amendment in a little while which would make some changes in the language dealing with the materials which may be bartered for. It would still expand the list of such materials over what we have now.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. Otherwise the law would be administered just as the Secretary of Agriculture administered it prior to May 28, 1957.

Mr. HUMPHREY. Yes. I have said quite candidly that I do not contend the amendment is perfect, but the whole purpose of it is to have the barter program resumed, as it is needed.

I want my position perfectly clear. I personally believe the best program in most instances is sale for foreign currency, under title I. It is the one I have supported vigorously. However, I also note that even in the Commodity Credit Corporation charter the Department of Agriculture is authorized and directed to barter in order to protect the assets of the Commodity Credit Corporation. Furthermore, it is directed to barter for strategic and critical materials which go into the national stockpile or into the supplemental stockpile.

In fact, in the Agricultural Act of 1956 we amended the barter provisions so as to include more than strategic materials, and specified strategic and other materials, which is exactly what the language of section 303 requires, using the word "materials" only. Later I intend to offer a clarifying amendment to change the language to "strategic and other materials," so the language will be in coordination with and fall into the pattern of the Agricultural Act of 1956, which provides for stockpiling of strategic and other materials. That is what we are talking about in section 303. If there is any doubt about the language, I think we ought to change it. It is my intention to do it, under the procedures permitted in amending the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. Would the Senator still be for his barter provisions if he knew that the result would be the disruption of foreign markets for American commodities and the offering of American commodities at from 4 to 10 percent below the prevailing price? Would the Senator still be in favor of it, if he knew that? I am not saying it is so; I am simply asking the Senator if he would be in favor of it if he knew it meant a reduction of 4 to 10 percent in the market price of American grains, oils, or anything else sent to Western Europe?

Mr. HUMPHREY. I wish to say to my friend from Vermont, first, I do not wish to see foreign markets disrupted,

but neither do I want to leave American agricultural markets left static.

I shall now refer to the point raised by the Senator. First of all, a company which seeks to barter surplus agricultural commodities must pay the Commodity Credit Corporation the price of such commodities. The company must pay the price which the Commodity Credit Corporation asks.

If such a barterer, after having paid the price which the Government has asked, and which the Government has determined is a fair price, is able to make a sale, I see no reason why we should object. It is perfectly true that if American exporters are to make sales, they will have to do 1 of 2 things: Either they must give a better product or they must give a better price. How else can a sale be brought about?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. As I understand the Senator from Minnesota, he is saying that he has no objection to the barterer going into foreign markets if he is smart enough to do it, and taking a 4- to 10-percent advantage over other American businessmen, thus cutting the props out from under them. Is that a correct statement of the Senator's position?

Mr. HUMPHREY. First of all, let me say frankly to the Senator from Vermont that these barterers are American businessmen.

Mr. AIKEN. Very few of them.

Mr. HUMPHREY. There is no law to restrain them. More of them should be American.

Mr. AIKEN. I think they have foreign financing.

Mr. HUMPHREY. I am not going to base my case upon what I think. I am saying the record before the committee is that those who have been engaged in barter are American business firms. They buy the same commodity any other business firm buys from the Commodity Credit Corporation, and they buy it at the same price. The advantage they have had up to date was not an advantage Congress gave them; it was an advantage which the Department of Agriculture gave them, the advantage of permitting a barterer or offerer to come to the Commodity Credit Corporation with a deal.

The Secretary, after consulting with the General Services Administration, with the Office of Defense Mobilization, with the Office of the Secretary of the Interior—after consulting any and all affected agencies of the Government—then made a determination that such a deal was a fairly good one. The Secretary will do that under the amendment we have suggested. If the Secretary thinks it is a good deal, and if he thinks it is something that will permit us to get along fairly well, he is then at liberty to offer to the barterer or the business firm the Commodity Credit Corporation's commodities.

In the past the Secretary gave the barterers the commodities at a time before the delivery date of the material which was to be received. In other words, he

gave them the agricultural commodities, let us say, in January of 1957, with a receiving date for the goods to be obtained of December 1959, 2 years later. It was during this 2-year period, between the time the bartering company obtained the Commodity Credit Corporation goods and delivered the metals for which the barter deal had been agreed upon, that the interest-free money was available. In other words, the company was able to sell the Commodity Credit Corporation goods and was able to get money for them, yet at the same time did not have to deliver right away the metals which the Department of Agriculture agreed to receive under the barter arrangement.

It was the interest-free money—the interest-free money which the Department of Agriculture permitted—which made possible the underselling in the market. That process made possible the special advantage of the bartering companies.

Mr. President, the Secretary of Agriculture has stopped that practice, and there is nothing in the bill before us which changes the situation at all. As a matter of fact, it is now required that the bartering company pay interest, exactly as anyone else would.

That is provided by administrative regulation. So all the problems incident to barter which the Department says it had, were problems the Department permitted to arise under the law it was administering. All we are attempting to do by the amendment is to say to the Secretary, "Look, Mr. Secretary, we are asking you, as the committee report says, to use prudent judgment, to use good business sense, and to try to barter, if possible, the surplus agricultural commodities in a manner which will be of benefit to the United States of America." That is all we are saying.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not a fact that the Department of Agriculture stopped extensive bartering in May of 1957 for the reason that the agencies in charge of the stockpiles did not desire to accept any more industrial diamonds? Is it not a fact that under the proposal of the Senator, future bartering of barley or vegetable oil for industrial diamonds will require the Commodity Credit Corporation to carry the diamonds if no stockpile will accept them? That is one of the difficulties.

Mr. HUMPHREY. I may say to the Senate that we are not discussing only diamonds. A point was made in the hearings with respect to that. The hearings should be studied. I stayed up rather late last night to refresh my memory of the hearings.

The point was made in the hearings that the Department of Agriculture and the Office of Defense Mobilization were placing limitations on themselves. They were setting limits upon what they would take, without legal requirements to do so.

Mr. President, we have received evidence in the hearings to show that the Government of the United States refused to accept platinum for cotton and re-

fused to accept platinum for wheat. That is a matter of uncontested record. In other words, platinum, which does not deteriorate, which is one of the precious metals, and which can be stored for a fraction of the cost of storing wheat or cotton, was refused. The Secretary of Agriculture and the Office of Defense Mobilization said, "We have enough platinum"—as if we did not have enough wheat.

I have suggested what I am trying to do by the amendment. If somebody comes along and offers to the United States of America platinum for wheat, we are going to be willing to do business if the value of the platinum is at least equal to the value of the wheat. That is what we are trying to do. It seems to me that is reasonable. We are trying to ascertain whether there can be obtained by barter certain minerals, metals, or other materials which do not deteriorate, which we can store for less cost, which perhaps will be needed by our country for national security, for offshore procurement or for the purposes of our national defense. We say that if we can barter for those things, we should do so. What is the argument against that?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Kentucky.

Mr. COOPER. My colleague knows I am a strong supporter of Public Law 480. There are many reasons upon which to base my support.

It is very important to our farm population that Public Law 480 be maintained. Further, I consider that Public Law 480, by providing for the sale of surplus food to other countries, contributes a great deal to our program of foreign aid and to our international relations. I am sure the reasons are self-evident.

The law enables our country to assist others to meet the basic needs—food and clothing. These we have in abundance, but there are millions and millions of men throughout the world who do not have enough food and very little clothing.

Even with the programs available under Public Law 480, many needy people cannot understand why this country, rich as it is, does not make available more of its wealth in food. They question the validity of our humanitarian and ethical principles. For religious and humanitarian reasons, this is an excellent program.

And again, it is in our national interest. Today, we are in competition with Soviet Russia, both economically and politically. The Soviet Union can provide strong competition economically because it can direct its economy to meet a particular situation. In the provision of food, however, the Soviet Union cannot match the United States. We ought to be very thankful that we have this great asset. Now I come to the issue that Public Law 480 is a very desirable program. I am very much worried about new provisions which might lead to its ultimate destruction. With high regard for the great interest of my colleague and friend from Minnesota in Public Law 480, I have fears about the barter provision.

One of the things which might cause Public Law 480 to break down would be its use to supplant normal trade channels. That has been used as an argument against the act. If the barter of agricultural products, as now proposed by this new amendment, should bite deeply into normal trade channels for the export of food, eventually it would bring strong opposition to Public Law 480. I think that is the danger in the barter provision in this bill.

Moreover, as the law now stands, it permits barter for strategic materials. Strategic goods needed, and their value, can now be reasonably determined by the Office of Defense Mobilization and by other agencies. But under the proposed amendment with no strict limits as to what goods may come into this country in view of all the elements involved and the many avenues of trade and import, I do not see how any Government agency could really determine whether we need the goods which would be brought in by barter arrangements. Barter operations would upset the normal export and import trade for materials other than strategic materials. I think there is grave danger involved.

I make these points because I am very much interested that Public Law 480 be continued. It is a good law for our country and for our farmers. It is good for the countries which receive our food and cloth. It is perhaps our best foreign-aid program. It is, today, an area in which the Soviet Union cannot compete with us. So I am concerned about this barter provision which could lead to abuses which might destroy Public Law 480.

I will vote against the amendment but will vote to continue Public Law 480.

Mr. HUMPHREY. I thank the Senator from Kentucky. He was one of the Senators who took the time to come before the committee and testify relating to Public Law 480. His testimony was very constructive and helpful.

I assure the Senator from Kentucky that I have no desire to have any provisions in the law which would bring discredit upon it. Under no circumstances do I wish to see the law administered in any way which would bring discredit upon the purposes of Public Law 480, or prevent it from being properly used for the purposes for which it was enacted. The main argument against the barter provision is that it displaces normal cash sales. A supplementary or ancillary argument is that it is an unorthodox method of trading. That cannot be substantiated, because barter is as old as commerce, and it is a definite part of trading in modern commerce and industry.

I believe that the best way to find out about these matters is to take a look at the testimony. It so happens that the Department of Agriculture witnesses were present in the committee when testimony was taken from representatives of some of the large grain companies and others engaged in barter.

It also happens—and I will leave the record for the objective examination of my colleagues—that the Department of

Agriculture witnesses did not submit one paragraph of effective refutation of the testimony given by the witnesses to whom I am about to refer.

The Department of Agriculture witnesses came forward with opposition, but were unable or unwilling to provide evidence to refute the very points raised by eminent businessmen of the United States.

For example, one question I asked the Department witnesses was, "Did you consult with exporters on your May 28 ruling which stopped bartering?"

Their answer was "No."

Another question I asked of the witnesses of the Department of Agriculture was, "Do you have an Advisory Committee on Exporting under the barter provisions of Public Law 480?"

The answer was "No."

A third question was, "Did you, prior to the time of the May 28, 1957, order, notify the companies and the concerns which had been traditionally engaged in barter of the pending action? Did you seek their advice and counsel?"

The answer was "No."

One of the largest companies in the United States is the Crofton Grain Co., of New York. Another is the Continental Grain Co. These companies have been doing business for some time.

Another is the Standard Milling Co. A gentleman by the name of Ralph Friedman, chairman of the board of the Standard Milling Co., of New York, testified before the committee. This is what he had to say:

Mr. FRIEDMAN. When the barter program was first incorporated we had taken a rather dim view of it, that is, to go back to that archaic procedure, but I am here to say that our experience with this—and I am speaking now transcending our own business operation—is that it has been effective means of implementing American exports of surplus products.

I will simplify this:

Perhaps I will oversimplify it, but I think this has validity.

In order to establish and maintain exports of American agriculture in competition to the severe threat of other grain exporting and agricultural exporting countries, I think it is obvious that you have to make this of interest to people to go out and sell it.

When we as a firm, or the other gentlemen here representing grain firms, enter into a barter contract we take on an obligation to dispose of commodities.

And this obligation is one that we cannot walk out on at all. We go to work on it. And we export it. So it is not a simple or an easy thing to do.

The only way in our experience that this can be done, it seems to me, is to make it a responsibility, as the barter program does, of responsible grain firms.

I want the Record to show that these are the same grain firms which sell for cash. They are not ready to cut their own throats. The record reveals that they make a great deal less profit on barter than they do on cash sales. Three of the companies offered their accounts and financial reports to the committee. They testified that they made 1.5 percent on barter transactions. The representatives of grain companies testified that the profit on barter transactions was sub-

stantially less than on normal cash sales. But they said that barter transactions were a part of their total business operations.

Continuing, Mr. Friedman said:

I want to say so far as my own company is concerned that we are heavily involved in many aspects of the grain storage, and milling industry, et cetera.

I feel that there is a degree of impartiality in what I say, because our interests are both in storage in this country as well as in trading and export from the United States.

Senator HUMPHREY. You do cash sales on an export basis?

Mr. FRIEDMAN. Yes. We are in all aspects of this thing.

Senator HUMPHREY. It is very important that we get this down from the witnesses because the main argument against barter by the Department is the interference with cash sales.

Mr. FRIEDMAN. We are very much involved in the cash-sale business. Also, I would say that we are large storers of Government-owned commodities in this country.

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the norms of procedure of other nations this growing surplus which constantly replenishes itself.

Mr. President, at this point I will yield to the majority leader, with the understanding that I do not lose the floor. Following the statement by the majority leader I shall return to the testimony of Mr. Friedman and the testimony of other witnesses, which I believe should be answered by the critics of the barter program before we vote on the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, today the majority policy committee met and cleared for Senate action Order No. 706, S. 1356, to amend the antitrust laws by vesting in the Federal Trade Commission jurisdiction to prevent monopolistic acts by certain persons engaged in commerce in meat and meat products, and for other purposes.

We expect to move to consider that bill following the conclusion of the debate on the pending bill.

We also plan to take up by motion Order No. 727, S. 73, to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

That bill was introduced by the Senator from Kansas [Mr. CARLSON]. I am informed that the Senator from Kansas will offer an amendment to the bill.

I do not mean that those bills will necessarily be taken up in the order I have stated. However, I should like to have it understood that we plan to consider them this week, if possible, as well as the Treasury-Post Office Departments appropriation bill.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Texas has the floor.

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POLICY COMMITTEE ON ACTIONS
TO ASSURE A HEALTHY ECONOMIC
RECOVERY

Mr. JOHNSON of Texas. Mr. President, the Democratic policy committee met today and approved the following statement:

The President has stated that his administration is ready to take any action that would lead to a healthy economic recovery in this country. He also said that he will send his plans to the Congress as soon as they are ready.

This is welcome news to the American people, including 5,200,000 unemployed men and women whose need for help is acute. His plans, of course, when they reach us, will be expeditiously considered in the same nonpartisan spirit with which Congress has been acting already.

The steps which have been taken in the Senate thus far have been virtually unanimous.

I interpolate as my own statement that the same situation is true in the House of Representatives. I am informed that the housing bill was passed unanimously by the House and has been sent to the White House today, and that the resolutions accelerating civil works and military construction were also adopted unanimously.

Both Democrats and Republicans suffer when times are hard and both Democrats and Republicans in the Senate have approved the measures which we hope will bring some relief.

The housing bill was approved by a vote of 85 to 0. The two resolutions urging acceleration of public works were approved by votes of 93 to 1 and 76 to 1. The Senate Public Works Committee has approved by unanimous vote the substance of an accelerated highway program, with the only division referring to an issue that does not directly affect its job-producing potentialities.

We confidently expect that other measures will receive the same nonpartisan treatment. We think that the President is correct when he opposes panic. We also believe that members of both parties in the Senate who have voted with such a high degree of unanimity are equally determined to prevent panic—especially panic of the true that came in

EXTENSION OF AGRICULTURAL
TRADE DEVELOPMENT AND AS-
SISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I was reading from the hearings on the Policies and Operations Under Public Law 480, in the 1st session of the 85th Congress, and for the information of my colleagues who may be interested, I was reading from page 338, from the testimony of Mr. Ralph Friedman, chairman of the board, Standard Milling Co., New York, N. Y.

Mr. Friedman states:

If I may speak and put out some thoughts of my own. I don't want to pontificate about this but I want to come to the point. It seems to me that the United States is undertaking really enormous and often conflicting responsibility. And one of the areas of our problem is to dispose in as orderly a fashion as we can without violating the

growing surplus which constantly replenishes itself.

If the United States were to institute a policy of dumping which would provide many headaches, that would transcend the question of just what balance-sheet profit or revenue you might have, or the Agriculture Department will have on the total operation of price supports here and for commodity storage.

What Mr. Friedman is saying is that the dumping procedure is a matter of high significance to our foreign policy and transcends any profit statement.

Then Mr. Friedman proceeds to say:

I think that the barter program which as I say I started out by having great skepticism about, I think has been effective. I think it continues to be an orderly procedure for moving commodities in very sizable quantities.

I would say one further thing, that is that as far as our company is concerned, we would be glad to make available the amount of earnings out of barter. They are very modest by any standard—a very modest percentage of the total involvement of the risk.

I will tell you, also, one thing on behalf of the so-called free interest ride. This is a form of payment for service. I don't want to confuse the issue. This is where you make some money. It has merit from the standpoint of the United States Government, it seems to me. That is that it puts a pressure on the exporter to get moving and to do something. And to really do the job.

We have that pressure. While I like to think we have a very efficient organization there are a lot of things that can happen.

That is the sum and substance of what I want to say.

Then his testimony is concluded by the statement:

We are going to have the Department of Agriculture here on this barter program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. As the Senator says, barter is as old as commerce. Generally speaking, I believe Public Law 480 has done a remarkably good and thorough job. I should like to ask the Senator some questions relative to the amendment under discussion. First, can the Senator state how much lead has been brought into this country under the Public Law 480 program?

Mr. HUMPHREY. One hundred and thirty thousand short tons.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. A short ton weighs 2,000 pounds. How much zinc has been imported?

Mr. HUMPHREY. Two hundred and fifty-four thousand tons. That is actually delivered.

Mr. MANSFIELD. Two hundred and fifty-four thousand tons?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. How much manganese?

Mr. HUMPHREY. Manganese ore, battery grade—there are several different grades, as the Senator knows.

Mr. MANSFIELD. Yes.

Mr. HUMPHREY. Manganese metal, none delivered. Manganese, electrolytic, 2,000 long tons. Then there is the battery grade.

Mr. MANSFIELD. Yes; the black.

is 10,000 long tons.

Mr. MANSFIELD. Ten thousand long tons?

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. How much tungsten has been brought into this country under the program?

Mr. HUMPHREY. No tungsten.

Mr. MANSFIELD. No tungsten?

Mr. HUMPHREY. No.

Mr. MANSFIELD. How much copper?

Mr. HUMPHREY. There is none in the supplemental stockpile, but there is some in the strategic stockpile. I do not believe any has been brought in. No, the figures I have indicate none has been imported under this program.

Mr. MANSFIELD. The Senator knows that the 5 metals I have mentioned are very important in the economy of the State of Montana.

Mr. HUMPHREY. Yes, indeed.

Mr. MANSFIELD. As is, of course, the disposal of surplus wheat.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. The Senator realizes that, insofar as manganese is concerned, we produce about 10 percent of the total needs of our country, and that of that 10 percent 90 percent is produced in the Butte-Phillipsburg district in the State of Montana.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. I believe the figures for tungsten indicate about the same situation that applies to manganese. Ten percent of our national needs have been produced in this country, with a goodly portion of that being produced in the State of Montana. At the present time our tungsten mines and mills are shut down.

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Our manganese mines and manganese plants in the Butte area will very likely be shut down sometime in May unless the Government takes action along the lines urged in the bill introduced by the distinguished senior Senator from Montana [Mr. MURRAY] and myself on Monday of this week. So far as lead and zinc are concerned, we have these metals running out of our ears, at a very depressed price.

Mr. HUMPHREY. The Senator is referring to lead and zinc?

Mr. MANSFIELD. Yes; lead and zinc.

Mr. HUMPHREY. I am happy the Senator has referred to this subject.

Mr. MANSFIELD. We have been trying to get some relief from the Tariff Commission since last September. I do not know why a decision has not been announced. We have communicated with the White House but have received no encouragement. We have received promises, which are about as vague in their meaning as they can be. Meanwhile, lead and zinc mines are closing down. Many of them are filling up with water, and the timbers are caving in. It will be a difficult task to get the mines open again.

Approximately 275,000 tons of copper are in surplus at present. It is my understanding that these metals—I understand copper is not among them, but the other four are—

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Were being obtained under barter, and were brought in to be kept for the stockpile. But with the decline of the barter agreement, the metals have continued to come in, and they have come in such quantities that the price has been depressed.

Mr. HUMPHREY. They came in under what might be called the free market operations, which depressed domestic prices.

Mr. MANSFIELD. Nothing was paid in the nature of a tariff.

Mr. HUMPHREY. No tariff was paid. The Senator is correct. We have some information about that. Last July, Mr. Shannon, Under Secretary of the Interior, testified before the Committee on Agriculture and Forestry. He said:

Similarly, the market effect of the Government's withdrawal from barter in any commodity is probably dependent upon such circumstances as the manner of the withdrawal, the quantity of the material the Government had been taking and the general condition of the market.

In the case of lead and zinc, the facts are that the entry of the OCC into barter in the middle of 1956 was not accompanied by a United States price increase. However, suspension of the barter program at the end of April was followed a few days later by a price decline which has brought zinc from 13 1/2 cents to 10 cents and lead from 16 cents to 14 cents. Since the middle of 1956, the OCC has negotiated for \$72 million in zinc and \$40 million in lead. For purposes of comparison, it may be pointed out that the zinc contracts were equivalent to about half the value of domestic zinc smelted in 1956 and about 35 percent of the value of domestic lead smelted and refined.

The metal trade seems to have concluded that the immediate cause of the decline in price following the suspension of barter was the suspension.

The Wall Street Journal of June 5 summarized the situation in these terms:

"Demand for zinc in the United States has been sharply reduced for the past several months by the three major users: The steel galvanizing industry, which uses the metal as a protective coating on steel products; die casters who supply the automobile industry; and the brass mill which manufactures brass and other copper-zinc alloys.

"The break in zinc's price, industry men say, stems from the lack of any immediate prospects of important Government help, either from the new revised barter deal program of the Agriculture Department, or as from Administration's new long-range mineral-aid program.

"Barter, which involves the exchange of United States Government-owned surplus agricultural products for foreign zinc and lead, had been the major price prop for both metals since the latter half of 1956 and up to April 30, 1957, when such transactions were suspended. Last week, the Agriculture Department resumed barter deals, but industry men say they are so wrapped with restrictive conditions, it is almost impossible to arrange transactions. The acquisition of foreign zinc and lead had resulted in removing substantial surpluses of the metals from world market previously."

If barter is to be resumed on any substantial scale for metals and minerals over the long run, the Department feels that first priority should be given to procurement to meet mobilization objectives.

The evidence speaks for itself.

Mr. MANSFIELD. I noticed in the course of the testimony which the Senator from Minnesota quoted that it was

stated the surplus was removed from the world market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But the stockpiling of it has increased the surplus in the domestic market. I would not be able to prove it, but I feel certain the Senator from Minnesota has information at his disposal to show that very likely Public Law 480 surpluses may have entered into relations, mining-wise, with other countries, for example, Mexico, and Peru, and that the United States received zinc in return for surplus commodities. Is that correct?

Mr. HUMPHREY. I am not sure how much bartering we have done with those countries, but some arrangements were made with Peru under Public Law 480. I do not know about Mexico.

Mr. MANSFIELD. I selected those two countries because they, together with Canada, constitute from their point of view, the major exporters of lead and zinc to the United States. Does the Senator from Minnesota have any idea of the present size of the stockpiles of lead, zinc, tungsten, and manganese in the United States?

Mr. HUMPHREY. The information may be available, but I only know how much of the metals are in the supplemental stockpile, obtained under the provisions of Public Law 480.

Mr. MANSFIELD. Is that the Public Law 480 stockpile?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Do the figures contain the strategic materials which are stockpiled with other materials?

Mr. HUMPHREY. No; there is one division which is called strategic and critical; the other is called supplemental. I shall try to obtain the exact figures for the Senator.

Mr. MANSFIELD. For the 4 months covered, has the Senator any idea of the sizes of the strategic stockpiles of lead, zinc, tungsten, and manganese, and also copper?

Mr. HUMPHREY. I will get the information for the Senator this afternoon if it is possible. It may be in the hearings. In the meantime, there are staff members with us who can ascertain the information. What the Senator wants is the total amount in both the supplemental and the strategic stockpiles—both piles.

Mr. MANSFIELD. The amounts of the five metals. If there are any others, I shall be pleased to have that information, too, because it will be interesting reading.

Mr. HUMPHREY. I am informed that part of the information desired by the Senator from Montana, relating to the strategic stockpile, is classified information.

The bill before the Senate is a little different from Public Law 480, because it provides for the blending of domestic ores with foreign ores in the processed material which the Department of Agriculture would acquire under barter arrangements.

Mr. MANSFIELD. That raises another question. The senior Senator from Montana [Mr. MURRAY] and I and

our two colleagues in the House, Representative MURRAY and Representative ARNETT, on last Monday introduced bills to beneficiate manganese, so that the low-grade ore which is on hand at the manganese plant in Butte, Mont., can be improved in grade and thereby become of some value, something which it does not have at present. About 6 million units of such ore is stockpiled there.

The Senator from Minnesota now says that in the extension of Public Law 480 foreign ores will be brought in for the purpose of beneficiation of low-grade ores in this country. Where will that leave us, when we seek to do the same thing with our domestic ores which are lying idle? Unemployment is increasing in Butte. At the present time it is 63 percent higher than it was last January, and is increasing.

Mr. HUMPHREY. I have been very sympathetic with the Senator in his problem. It is not a problem which affects Montana only. A grave problem of unemployment exists in the iron ore producing section of Minnesota.

Mr. MANSFIELD. That is true.

Mr. HUMPHREY. Under the present law, Public Law 480, barter could be designed to bring in foreign ores, but not ores to be blended with domestic ores.

Mr. MANSFIELD. That is correct.

Mr. HUMPHREY. It seems to me it would be desirable for the Senator from Montana to have the producers of his State use domestic ores, rather than the foreign ores which are coming in, to take over the market.

Mr. MANSFIELD. As I understand, the metals which come from overseas under Public Law 480 go into the stockpile.

Mr. HUMPHREY. That is correct; and under the provisions to which the Senator from Minnesota is addressing himself, not only will the foreign ores which are processed go into the stockpile, but some of the domestic ores will also. So it has a tendency to do two things: first, to firm up world prices, which affect domestic prices; second, to utilize some of the domestic ores.

By specifically permitting domestic processing of ores, by means of this barter arrangement we have an opportunity to utilize low-grade domestic ores which are not being utilized at the present time. At best they are being stockpiled occasionally, but most of the time they simply are not being used.

As I have said, at one time the Department of Agriculture permitted the domestic processing of foreign ores. But it does not permit that any longer—not under present arrangements.

Since the processors always are purchasing high-grade ores for their own inventories, such importation of high-grade ores as could be done under a Public Law 480 barter agreement would not change the inventory arrangements; it would simply permit the use of some of the domestic ores for the stockpiling.

Mr. MANSFIELD. But who would purchase the imported ores for fabrication purposes?

Mr. HUMPHREY. Does the Senator from Montana mean the low-grade ores?

Mr. MANSFIELD. No, I mean the manganese and tungsten ores regardless of grade.

Mr. HUMPHREY. They would be purchased by the same people who have been purchasing them right along.

Two kinds of purchases are involved, private and public. One category is made up of purchases by the Department of Agriculture, under barter arrangements, in the case of materials which go into the strategic stockpile or remain an asset of the Commodity Credit Corporation, not of the private manufacturer or purchaser.

Mr. MANSFIELD. Do brokers enter into transactions of this kind?

Mr. HUMPHREY. Yes. What generally happens is that a firm begins the transaction, and frequently a broker is involved.

Mr. MANSFIELD. So they can manipulate a little here or a little there; and that would affect the domestic price; would it not?

Mr. HUMPHREY. I suppose that could be done. But the record shows quite clearly that in the case of lead and zinc, when bartering was done for lead and zinc, there were better prices.

Mr. MANSFIELD. Better prices for lead and zinc?

Mr. HUMPHREY. Yes. When there was no barter, there were lower prices.

Mr. MANSFIELD. Yes; because the materials kept coming into the United States and going into the open market, rather than into the stockpile.

Mr. HUMPHREY. Yes. That is why I say that in the case of manganese or ferromanganese ores or other metals involved in this case, the same arrangements can apply. When they are bartered for, that firms up the domestic price. When they are not bartered for, there is a lower world price, which hurts the domestic market.

I have received telegrams from persons who are involved in this matter. They are concerned from the point of view of making money or losing money, rather than merely making an argument.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. LAUSCHKE in the chair). Does the Senator from Minnesota yield to the Senator from Vermont?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Is it not true that some of the materials which formerly came and were put into the stockpile, have been removed from the strategic list and cannot now be bartered for?

Mr. HUMPHREY. But they can be; that is why we amended the 1958 act.

Mr. AIKEN. But has not there been a termination of bartering arrangements for certain materials which were formerly used for stockpiling?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. And would not the Senator's proposal in this bill make it possible for such materials to continue to be bartered for and brought into the United States, even if they were not stockpiled? Is it not true that they are to be held by the Commodity Credit Corporation, if

a stockpile will not take them? Is it not also true that Government agencies which wish to use such materials are required to purchase them from the Commodity Credit Corporation's stockpile, to the exclusion of purchasing them in the normal channels of trade in this country?

Mr. HUMPHREY. That is exactly the case under the existing provisions of law. In the case of overseas transactions and offshore procurement, the provisions of the bill are exactly the same as those of the original Public Law 480.

Mr. AIKEN. No; under Public Law 480 they are not permitted to barter for them and bring them into the country, unless they are needed for stockpile purposes.

Mr. HUMPHREY. But once they get them in—

Mr. AIKEN. Once they come into the country, they depress the market.

Mr. HUMPHREY. No, because they are sealed off in the strategic stockpile and in the supplementary stockpile.

Mr. MANSFIELD. When they are in the stockpile, they do not depress the market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. Once the barter arrangement for the stockpile comes into being, the materials are not thrown onto the open market.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. But in the case of lead and zinc, when they were not being purchased by the Government for stockpile purposes, the prices in the market were depressed.

Mr. HUMPHREY. That is correct. Certain amounts of lead, zinc, and manganese will be sold, and certain amounts will be needed. When the Government steps in, through barter arrangements, to acquire some of the production and to put it into the stockpile, that has a tendency to firm up the prices across the market. When the Government no longer purchases such materials, for stockpile purposes, and no longer purchases them for the Government's needs, that has a tendency to leave the production in the market and to depress the prices. The matter is just that simple.

I have received a copy of a telegram which was sent to one of our colleagues by the Pittsburgh Metallurgical Co. I notice that several Senators received copies of it. The telegram reads as follows:

The Senate Agricultural Committee has reported a bill (S. 3240) which includes amendments to the "Barter Act" of a directive nature, to request the restoration of the program of exchanging surplus perishable agricultural commodities for durable materials which are required in our economy, such as ferrochrome and ferromanganese alloys, which can be stored cheaply and do not deteriorate. The program is of utmost importance to the ferroalloy industry because at present we are operating less than 50 percent capacity, resulting in serious unemployment, and indications are that additional outbacks will be required. We have metallurgical plants at Calvert City, Ky.; Niagara Falls, N. Y.; and Charleston, S. C.

We urgently need your support on the bill, S. 3240, which, if enacted into law, and ferroalloys included, as in the past,

would substantially help the unemployment situation, not only for Pittsburgh Metallurgical Co., but for the ferroalloy industry as a whole. Also, other industries who furnish raw materials and equipment would benefit greatly from increased employment.

We understand the Agriculture Department is opposing the bill (S. 3240), and, therefore, respectfully appeal to you for support on this bill, which has been reported by Senator ELLENDER. I am sure it would be most helpful if you would call Senator ELLENDER on this matter, upon receipt of this telegram.

The telegram is signed by Charles F. Colbert, Jr., chairman of the board and president of the Pittsburgh Metallurgical Co., of Niagara Falls, N. Y. That company is a domestic processor. I notice that one of the company's plants is in Calvert City, Ky.

Mr. AIKEN. What kind of metals does it use?

Mr. HUMPHREY. Ferroalloys—ferromanganese, for instance.

Mr. CASE of South Dakota. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. First, let me say that, on general principles, I favor the barter provisions of the bill.

However, I believe that in bartering there should be provided safeguards which will insure that we shall not be transferring the depression which agricultural—commodity prices suffer by reason of a large stockpile or surplus, over to the minerals field. We will not gain anything simply by converting the agricultural commodities surplus into a surplus of minerals, and then have the mining industry depressed thereby.

Mr. HUMPHREY. Let me say most respectfully that I am fully cognizant of this matter. I have checked on it with the Department of Agriculture. I have had members of my office staff look into it. The one point upon which everyone seems to agree—everyone except some Members of the Senate who disagree, because of some kind of confusion—is that the measure we have advocated will strengthen the metals market.

Mr. CASE of South Dakota. Let me point out the language of the bill which I believe modifies what the Senator from Minnesota has said.

Mr. HUMPHREY. Very well.

Mr. CASE of South Dakota. I thoroughly agree with the idea that if an agricultural commodity which deteriorates after a certain period of storage can be converted into a mineral which can be stored for a long time at less cost and with little or no deterioration, that is a good trade, and is in our interest, and presumably is in the interest of the peoples or countries which have a surplus of minerals and a shortage of food.

But the language which I believe causes the difficulty is to be found on page 4, in lines 10 to 12. That language is the latter part of the sentence which begins in line 8.

The sentence beginning in line 8 reads as follows:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of

the Government, in purchasing such materials, shall purchase such materials from the Commodity Credit Corporation inventory to the extent available in fulfillment of their requirements.

Mr. HUMPHREY. That refers to the Defense Department, the ABC, the Office of Defense Mobilization, and to the General Services Administration and to the other agencies responsible for stockpiling. This same language is contained in the present act. In other words, other departments of the Government require metals for stockpiling purposes; and this language means that the metals shall be purchased by such other agencies of the Government, rather than to leave the matter entirely to the Department of Agriculture.

Mr. CASE of South Dakota. I see nothing in the language which would limit it to stockpiling.

Mr. HUMPHREY. Let me say that I have just been reaffirmed by counsel that the same language is contained in the existing law.

Mr. CASE of South Dakota. I realize that, and I think that is one of the reasons why a part of the mining industry of the United States today is depressed. I believe that when a stockpile or reserve of minerals is created and when governmental agencies are permitted to obtain their requirements from the minerals in the stockpile, regardless of the domestic supply situation, the result is to say to those agencies, "You are to obtain the Government's requirements from the stockpile before you purchase them from the normal production." I have always believed that a pedlock, and should be opened and used only in times of emergency.

Mr. HUMPHREY. That is the case now. The Senator from South Dakota ought to know that, and he does know it.

Mr. CASE of South Dakota. The Senator from South Dakota knows the regular stockpile of Government does have restrictions on it. The Senator from South Dakota knows further that if the agencies of Government, which have current requirements are permitted to go to that stockpile and take materials from it, rather than—

Mr. HUMPHREY. If I may interrupt the Senator, I point out that Public Law 590 of the 79th Congress, section 104 (b), requires that materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Stockpile Act. It literally requires an act of Congress to change it.

Mr. AIKEN. That is subject to change.

Mr. HUMPHREY. If we are going to deny a representative form of government the right to change the law, I suppose there will always be a danger of such material being released. I am saying to the Senator the purpose of the language has been underscored in the present practice. What is the present practice? When the Commodity Credit Corporation acquires lead, zinc, fluorapatite, or whatever the material may be, which it does not want to hold itself, there is in effect a directive that other agencies of Government shall take off the hands of the Commodity Credit Cor-

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poration go into the stockpile of strategic and critical materials. We amended the Supplemental Act of 1950 so that strategic and critical materials would go into the strategic and critical stockpile, and other materials would go into the supplemental stockpile.

Mr. CASE of South Dakota. In our experience with wool, when we had a supply of wool, we found the stockpile of wool was constantly operating as a threat to the then current wool market. The wool stockpile was liquidated during the latter part of last year. I think wool is now on the open market.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. But there was always an area of doubt and a difference of opinion between the producers of wool and those administering the wool stockpile in the Department of Agriculture with respect to how much should be released to the market at any one time. Wool is midway, so to speak, between wheat and hard metals. Wool can be stored for a period of time, certainly longer than some of the grains and oil. Replacement of the wool or the reversing of the material in the stockpile is one of the things which had to be kept in mind with regard to the problem of storage over a long period of time. That area of difference of opinion has always been a disturbing thing to some of the wool producers.

I should like to see a provision written into the law that in administering the stockpile or stocks acquired by the Commodity Credit Corporation through harbor provision, these materials would not be released, the pedlock would not be unlocked, the stockpile would not be opened up in normal times, unless there was a short supply.

I think the idea behind having a strategic stockpile is to enable the country to have a supply of such material in times of emergency and in times of shortage.

Mr. HUMPHREY. What is before us goes beyond strategic materials. The House should be clear we are talking about not only strategic materials, but we are talking about strategic, critical, and other materials.

Mr. CASE of South Dakota. Perhaps the point is even stronger when we consider the nonstrategic materials.

Mr. HUMPHREY. I think such a point could be made. I say, with equal candor, we have no right to depress American agriculture.

Mr. CASE of South Dakota. We certainly do not want to depress American agriculture, but we do not want to transfer a depressing of agriculture to a depressing of minerals.

Mr. HUMPHREY. Of course not. If there was half the concern over the preservation of substitutes and holding up the market for corn and wheat as there was over being able to lock up materials in stockpiles, agricultural prices would be better. I have not heard a speech in weeks about the dumping of corn by the Commodity Credit Corporation, but if a little lead or zinc is dumped, supposedly that is bad. I think it is if it is supposed to be in the stockpile. I say to the Sena-

tor, whether or not strategic and critical materials in the strategic stockpile are released, it takes an Act of Congress to release them. Here is the law, and the language reads—

Mr. CASE of South Dakota. We are dealing with the bill which is before us, and I should like to have the Senator's interpretation as a part of the legislative history of the bill.

Mr. HUMPHREY. Since the Senator from Minnesota has the floor and is yielding, let me say that Public Law 590, of the 79th Congress, provided that no material constituting a part of the stockpile may be disposed of without the express approval of Congress, except where the revised determination is by reason of absence of such material in time of war.

The law has been amended by what we call the National Stockpiling Act and by the Supplemental Stockpile Act, and the law locks up the material. Whatever goes into the stockpile is locked up.

I see no danger of the stockpile act weakening the market. At this time the Commodity Credit Corporation has materials to the tune of \$55 million more than was invested in them. That is much better than what happened with respect to cotton, corn, wheat, and a few other commodities.

Mr. CASE of South Dakota. I could not agree more with any proposition than that stated in the last sentence of the Senator. It is much better to have \$55 million more of storable, nonperishable minerals, or metals, or whatever they may be, than to have perishable agricultural commodities of that value. What I want to do is see that the language is made as airtight as possible, in order to protect the natural, normal producers' market from being injured by the acquisition of similar goods and their distribution or placement upon the market, except in times of deficit or national emergency.

I should like to ask the Senator a question, because I think his opinion as to the interpretation of the pending bill will be important in the administration of the law or in any court interpretation of it.

Does the language which reads: "other agencies of the Government, in purchasing such materials, shall purchase such materials from Commodity Credit Corporation inventory to the extent available in fulfillment of their requirements" require purchasers of stockpile materials or the Government agencies that have need for such materials, but which do not administer the stockpile, to buy the materials from the Commodity Credit Corporation, rather than buy them in the open market?

Mr. HUMPHREY. My answer is as follows: Since the provision is identical with the provision which is presently in law, the arrangements which now prevail relating to the purchase of commodities by other agencies of Government would continue.

What are those arrangements? Presently, strategic and critical materials and materials eligible for the stockpiles go into the stockpile.

Mr. CASE of South Dakota: And no others?

Mr. HUMPHREY. Those items which are available for the stockpiles go into them. There are some others.

Mr. CASE of South Dakota. Let us assume that the Signal Corps needs some crystals, or some other material which goes into electronic equipment, and wants to buy such material. Under the language of the amendment would the Signal Corps be required to buy that material from the Commodity Credit Corporation, rather than to buy it on the open market?

Mr. HUMPHREY. In my judgment, it would be required to do so. However, the Secretary might engage in barter for a particular purpose for our Government, as he did, for example, in an instance for ICA.

I have some information which was given to our committee. The United States Department of Agriculture purchased in 1953, 1954, 1955, 1956, and 1957, certain items for certain agencies of Government under barter arrangements.

For the Atomic Energy Commission the Department of Agriculture obtained some thorium nitrate, \$8.8 million worth. It obtained some zirconium sponge, worth \$4½ million. For the Department of Defense it obtained \$4.1 million worth of boron material in 1956. For ICA in 1954 the Department obtained some \$200,000 worth of blankets. The Department once obtained some fertilizer worth about \$200,000. It also obtained some raw silk worth \$1.4 million. These items were obtained under barter arrangements.

I say to my friend, the Senator from South Dakota, we must depend upon the Secretary of Agriculture, as we say in the report, to use good, prudent judgment. I would not care to assume that the Secretary would flood the American market. He would be doing these things when it was to our advantage, rather than when it was to our disadvantage.

Mr. CASE of South Dakota. Certainly if the Secretary uses the barter provision for the purpose of getting wool blankets abroad, or cotton yarn, or some of the minerals which have been mentioned, it would seem to me that should be done only when there is an emergency situation which brings about a shortage.

Mr. HUMPHREY. I imagine that is what happened.

Mr. CASE of South Dakota. I can see that during a period of war the Secretary might purchase wool abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. He might then purchase wool blankets abroad.

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. Or even cotton yarn. He might have to go abroad for such materials in wartime; but normally it would seem to me those items should be supplied by the domestic market.

Mr. HUMPHREY. I could not agree with the Senator more completely.

Mr. CASE of South Dakota. The same thing would be true in normal times with respect to any minerals available on the domestic market.

Mr. HUMPHREY. The Senator is absolutely correct. I thoroughly concur.

As a matter of fact, I have been trying rather consistently to draft phraseology which would even more pinpoint what the Senator has in mind. I went to the Reciprocal Trade Act this morning, to see if I could not find language which would protect the American domestic market situation along the lines of what we find in the peril-point provisions as to reciprocal trade.

Mr. CASE of South Dakota. Mr. President, if the Senator will yield further, the able Senator from Florida (Mr. HOLLAND) has invited my attention to a change in language between what appears in the sentence I have read in the bill pending and the existing law. I was under the impression, from what the able Senator from Minnesota said, that the language was identical.

Mr. HUMPHREY. That is correct. That is what I said.

Mr. CASE of South Dakota. The change, however, comes in the substitution of the plain word "materials" for the words "strategic materials" in the present law.

Mr. HUMPHREY. I may say most respectfully to the Senator that the Agricultural Act of 1956 makes possible transactions for both strategic materials and other materials. I knew that the point would come up again, since we had the discussion last evening, so I should like to invite the Senator's attention to all the barter authority for any kind of materials we ever want, under the Commodity Credit Corporation charter.

I have in my hands the budget of the United States Government for the fiscal year ending June 30, 1959. Some of the material relates to the Commodity Credit Corporation. I shall soon refer to the statute. In the budget, under the commodity export program—and I ask for the Senator's attention—it is stated that—

The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 8 (d) and 8 (f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949—

And so forth. What is the authority for barter under the charter of the corporation? I have in my hand the Commodity Credit Corporation Charter Act, on page 145 of the Compilation of Statutes Relating to Agricultural Law, as of January 1, 1957. Subsections (d) and (f) in the Commodity Credit Corporation Charter Act, under which the Commodity Credit Corporation can use barter to accomplish this purpose, states:

Remove or dispose of or aid in the removal or disposition of surplus agricultural commodities.

And:

Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

In other words, the Commodity Credit Corporation has the authority under its charter to export under barter, and the limitation of "strategic" and of "critical" is not in its charter.

Mr. CASE of South Dakota. That is on the export side. What about the import side?

Mr. HUMPHREY. When one barter, one has to import.

Mr. CASE of South Dakota. Certainly.

Mr. HUMPHREY. One exports something out and imports something in. That is what is meant by barter.

All I am saying is that Public Law 486, which was enacted later, provides for barter of agricultural commodities for strategic materials but does not limit the authority of the Commodity Credit Corporation to acquire by barter other materials. That is why the Agricultural Act of 1956, at the request of the Department of Agriculture and at the insistence of the members of the Senate Committee on Agriculture and Forestry, provided that in the stockpiles we will not merely have strategic items, but other materials.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. If the Commodity Credit Corporation charter is that broad—and it would necessarily be very broad—and if the authority is already available, why have we been wasting time all of these years enacting implementing legislation?

Why does the Senator from Minnesota think additional legislation is needed now, except that his proposed legislation directs the—

Mr. HUMPHREY. It is not my legislation. It is committee legislation. Let us make that clear.

Mr. AIKEN. I do not know whose legislation it is.

Mr. HUMPHREY. The committee approved the legislation.

Mr. AIKEN. If such a provision is not necessary in order to change the status quo, why do we have it under consideration? If all this power is included in the Commodity Credit Corporation charter, why is the legislation necessary?

Mr. HUMPHREY. I can tell the Senator why.

Mr. AIKEN. We have been implementing that charter for quite a while.

Mr. HUMPHREY. We have, indeed. All the Senator from Minnesota is saying is that the Commodity Credit Corporation charter provides for the broadest means of handling these commodities.

Mr. AIKEN. That is true.

Mr. HUMPHREY. One of them is barter. The barter arrangement is not restricted to critical or strategic items.

Second, Members of Congress are presumed to have known this, because in the Agricultural Act of 1956 it was stated that for the purposes of the stockpiles there would be a stockpile known as the supplemental stockpile, into which other than strategic materials could go. All the language of the bill before us does is to use the word "materials," which encompasses both strategic and critical materials as well as other materials.

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tural warehouses, according to the testimony, \$844 million worth of agricultural commodities which were converted into strategic materials. More than half of the materials were earmarked for the strategic stockpile. We disposed of \$844 million worth of surplus agricultural commodities, which were subject to deterioration.

Those are the agricultural commodities about which the Reader's Digest writes to scare the people. They are the agricultural commodities which some people said would spoil, such as milk and butter.

Mr. LONG. And potatoes.

Mr. HUMPHREY. That was when they wanted to complain about the agricultural program.

Mr. President, \$844 million worth of surplus products were moved out and traded for lead, zinc, manganese, industrial diamonds, and a host of other commodities which do not deteriorate, the value of which has gone up \$55 million since we obtained them.

The saving on storage alone for the agricultural surplus products is at the rate of \$103 million a year.

Eighty-six percent of all bartering has been for this kind of goods. But the Department of Agriculture says, "We want no more of this." I suppose what they want is to have the surplus agricultural commodities deteriorate, or the butter spoil, or the milk become rancid.

Mr. CARROLL. Does the Department give any specific reason for this?

Mr. HUMPHREY. Oh, yes. The reason is given in the testimony. By the way, Mr. Berger, in his testimony, told how these arrangements were made. He said:

The prospective contractor's offer would set forth the quantity of material involved, the unit price at which the material was being offered, proposed delivery schedules, and related factors. Assuming that this material was one approved for barter acquisition by ODM—

Remember? They even went to the Office of Defense Mobilization to get approval—

we would consult with materials experts of the General Services Administration to determine existing stockpile inventories of the material, whether or not the offering price was at or below the current market price for the material and that barter acquisition would not unduly disturb market prices or otherwise interfere with availability of the material to private industry.

On that basis, \$844 million worth of deals were made. That seems pretty sensible to me. The Department made certain that the market was not disturbed. They made certain that private industry was not being denied. They made certain that the current price was fair. They made certain that the deal was to the benefit of the Government of the United States. That was the testimony of the man who runs the Commodity Credit Corporation.

Mr. Walter C. Berger, the Administrator of the Commodity Stabilization Service, told the Senate committee how his agency operated the barter system, and apparently he was quite proud of it. He said:

Ordinarily, such a contract would call for material deliveries over a period of up to 2 years—for a few contracts the delivery period was 6 years—and would normally permit the barter contractor to obtain for export during such period any agricultural commodity which ODC was offering for export sale.

In other words, the barterer could come in, look around, see what surplus goods were on the shelf, and pick out a \$100 million worth of goods which were accumulating and were in danger of spoilage. He would pay the price which the Commodity Credit Corporation asked. The Commodity Credit Corporation put a tag on the surplus commodities, and it was a price which was profitable to the corporation. The department bartered those agricultural commodities for strategic materials.

Despite that testimony, the Department of Agriculture now says, "We want no more of that. We are stopping it."

The Senator from Colorado asks, "But did they not renew it?" Yes, they renewed it, but they renewed it by putting chains around the arms and legs and binding the body with adhesive tape. They said, "Now if you want to do acrobatic stunts and handsprings, you can try to do so."

I have said a dozen times that I prefer title I sales, but I am sick and tired of hearing the Department of Agriculture complain about surpluses. I am tired of having the Secretary come to Congress and say that the surpluses last year and the price support operation losses last year cost more than \$3 billion. I am tired of hearing him complain about the amount of surpluses when he has the authority to exchange the surpluses for manganese, for jewel bearings, for industrial diamonds, and for platinum.

I want the Department of Agriculture to send one of its henchmen here. Are they here? They are generally around outside somewhere. I want them to send here someone who will send in to us on a slip of paper the reason why they refuse to take diamonds or platinum for wheat.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. O'MAHONEY. I should like to obtain some information. I am sorry the Senator does not have before him the representatives of the Department of Agriculture, so that they can be cross-examined.

Mr. HUMPHREY. I had them before the committee once, I may say to the Senator from Wyoming.

Mr. O'MAHONEY. But they are not here.

Mr. HUMPHREY. That is correct.

Mr. O'MAHONEY. Those of us who do not have the good fortune to be members of the Committee on Agriculture and Forestry are deprived of the opportunity the Senator from Minnesota enjoys.

Is it possible that the Department of Agriculture has decided that it would not be in the public interest to administer the law which Congress passed and the President signed?

Mr. HUMPHREY. Mr. President, the Senator's insight into these matters is exceeded only by his eloquence and logic. What he has just said had never before dawned on me. But in view of the happenings around this city, it is quite possible that the Department of Agriculture has literally decided not to administer at least a part of the law which the Congress passed and the President signed.

Mr. O'MAHONEY. Is not the Senator from Minnesota aware of the fact that the city of Washington is overflowing with lobbyists, and that for a long period of years, antedating this administration, I am sorry to have to say, the Congress has been delegating away its legislative power to the Executive, and that, as a result, lobbyists seek to obtain positions of influence with the executive departments, in order to obtain interpretations of the laws which were not meant by the Congress or by the President when the laws were passed?

Mr. HUMPHREY. Again I think the Senator from Wyoming is placing his finger directly on one of the developments in the Government. I say most respectfully to him—as I have said again and again in this debate—that the change we are recommending in the bill reported by the committee—

Mr. O'MAHONEY. The Senator from Minnesota is referring to a committee amendment; is he not?

Mr. HUMPHREY. No; I am referring to the committee bill which amends Public Law 480.

Mr. O'MAHONEY. What will that bill do?

Mr. HUMPHREY. The bill will do two things: First, it will extend Public Law 480 for the sale of American surplus agricultural commodities. Second, it will amend the barter section, so the Secretary of Agriculture will be directed, insofar as it is practicable, whenever he can barter an agricultural commodity which will deteriorate, for a commodity which will not deteriorate, and whenever he can barter an agricultural commodity upon which the storage charges are higher than the storage charges on such other materials, and whenever such other materials can be used in terms of our overseas programs in our national security and our national interest, to proceed to do so. In other words, under those circumstances the Secretary of Agriculture will engage in such bartering. Of course, that is what the law provided in the first place.

Mr. O'MAHONEY. Is there any opposition to the provision now suggested?

Mr. HUMPHREY. I have been encountering some.

Mr. O'MAHONEY. Has such opposition been expressed on the floor of the Senate?

Mr. HUMPHREY. Yes; and it has been expressed along the following lines: first, that that would disrupt the markets; second, that it would flood the United States with such materials; third, that it would be bad for our foreign policy.

Mr. O'MAHONEY. Did the State Department take any position on this matter?

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Mr. HUMPHREY. The State Department has taken a position as firm as any position taken occasionally by the State Department; it has taken a position as firm as the Rock of Gibraltar. In short, the State Department is opposed to this proposal. The State Department was opposed even to the barter arrangement we previously had.

Mr. O'MAHONEY. Never in the past 4 years have I heard the State Department referred to as resembling the Rock of Gibraltar. Why does the Senator from Minnesota now use that phrase in referring to the State Department?

Mr. HUMPHREY. I used it only when referring to the inflexibility of the State Department in regard to this matter.

Mr. O'MAHONEY. Is the State Department opposed to the amendment which has been agreed to by the committee?

Mr. HUMPHREY. Yes; there is no doubt about it.

Mr. O'MAHONEY. How about the Department of Agriculture?

Mr. HUMPHREY. The Department of Agriculture likewise is opposed.

Mr. O'MAHONEY. So this is a committee recommendation to upset the policy recommended by the Department of Agriculture and the Department of State is that correct?

Mr. HUMPHREY. Yes.

PROPOSED FEDERAL TRADE COMMISSION JURISDICTION TO PREVENT MONOPOLISTIC ACTS IN MEAT AND MEAT-PRODUCT COMMERCE

Mr. O'MAHONEY. Mr. President, I am grateful to the Senator from Minnesota for his prompt and complete answers to my questions, and I am obliged to him for yielding to me.

Since he has yielded, I wish to take this opportunity to announce that, as I understand the matter, after the pending bill has been disposed of, the next order of business will be Calendar No. 708, Senate bill 1356, a bill which has been reported by the Judiciary Committee. The bill would make the Federal Trade Commission, rather than the Department of Agriculture, the agency having jurisdiction to prosecute antitrust and monopolistic practices in the meat-packing business.

Let me take this opportunity to say—if the Senator from Minnesota will indulge me—that it will be my purpose to show that, if the bill is passed and is enacted into law, we shall be taking a long step toward restoring economic freedom in the United States.

I am aware that the American Meat Institute and the large packers and the big chain stores are seeking to convince the producers of livestock that they, the processors, are the best friends of the producers, and that the producers can profitably allow the processors to escape regulation in the public interest, because it is alleged to be good for the producers of livestock to be led around as though they were members of the livestock herd—in other words, by rings in their

noses—by the processors to whom they sell their product.

Mr. President, I wish to say that I am satisfied we can demonstrate that if economic freedom in American agriculture is established by vesting in the Federal Trade Commission—which was intended to assume it—such jurisdiction and the power to supervise such violations of the antitrust laws, there will be fewer violations.

I give this notice because I believe the question is one of the greatest importance.

I hope all Senators who are interested in making the United States the home of economic freedom, as well as political liberty, will be on hand when the bill is brought up, to pay attention to the debate.

I thank the Senator from Minnesota very much.

Mr. HUMPHREY. Mr. President, I am very happy to have the benefit of the Senator's announcement. I shall be in the Chamber to listen to the debate and to the study he has made of this important matter.

Mr. O'MAHONEY. I thank the Senator from Minnesota.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, I shall conclude on this point by stating that the testimony of every witness without exception—save the witnesses on the part of the Department of Agriculture—was that the barter program had not supplanted normal marketing, but had supplemented it; and all the companies are in the cash-grain business.

In particular, I call attention to the testimony given by the representative of the Continental Grain Co. When Mr. Samuel H. Sabin, its vice president, testified and placed his statement before the committee, he analyzed the report of the Department of Agriculture and the recommendation of May 28, 1957.

I read the following from Mr. Sabin's statement:

The basic premise of the revised requirements is that proof satisfactory to CCC must be presented to the effect that each barter contract results in a net increase in exports of the agricultural commodity involved. This premise is apparently based on an assumption that under the previous barter program, the agricultural commodities sold in world markets would have been sold for dollars in any event. The principal reason for this assumption seems to be the fact that agricultural commodities originating from barter contracts have been sold to certain European countries financially able to pay dollars.

This hardly seems sufficient grounds for cutting back on the legislative intent of title III of Public Law 480. It is a natural result of the barter program that the sales of the agricultural commodities obtained through barter would be sold for dollars or currencies readily convertible into dollars since the counterpart strategic material must be paid for by the grain exporter in dollars.

Furthermore, we are, of course, confronted with the problem of exportable surpluses from other countries which are purchased by the very same buyers able to pay dollars for our own surpluses, and these foreign buyers are acutely conscious of any price advantage. While CCC attempts to keep its export prices competitive, there are times when the availability of surplus commodities obtained under barter permits the trade to make export offers and effect sales which would otherwise be lost.

He was saying that when dealing with an importer in Holland or in France or in Belgium or in England, one is dealing not with a social worker, but with a shrewd businessman who will buy where he can buy the commodities at the lowest price—which is a good, healthy, normal attitude to be taken by someone who is in business to make a profit.

The only way the American seller can make a sale in that market is by competing on two items—quality and price. Therefore, the argument the State Department and the Agricultural Department make, that we are displacing cash sales, falls on its face. The fact is that if the seller has a price low enough, he will get a cash sale without barter. The only advantage of the barter transaction is that it gives it the company handling it gets a sort of discount, and the company is able possibly to quote a slightly lower price in competition with another seller from another country. That is the only advantage.

Mr. Sabin continued:

In practice this company, and we believe the grain trade generally, has never hesitated to forgo any possible barter advantage accruing to itself in order to effect sales which would be lost by the United States to other exporting countries if based on CCC's published prices.

Thus in our view, USDA has failed to establish its main premise and the Secretary should continue to exercise the barter authority which the law states is "in addition to other authorized methods and means A barter which effects the delivery of a valuable strategic material, which is durable and economically storable, and which furthermore assures the exportation of an equivalent value of a perishable United States surplus agricultural commodity would seem most advantageous to the United States Government.

That is the testimony of Mr. Sabin. It is backed up by the vice president of the Continental Grain Co., Mr. Edward W. Pierce.

I have a letter from the Calabrian Co., of New York City, one of the large concerns doing a great deal of bartering. It has answered some of the comments of the Department of Agriculture. The letter reads, in part:

Rumors are now circulating grain circles that Mr. Benson (in a letter supposedly written by Mr. Berjer) has been plucked by the Senate action in that he feels Administration sacred toes are being stepped upon. It is a pity indeed that Mr. Benson and his aides, after openly flouting Congressional authority and intent for the past months has suddenly become insulted when Congress took definite steps to assert its Constitutional prerogatives. It is also a pity that conditions reached such a sad state as to make it necessary for Congress to use its authority in unmistakable language.

It is also pathetic that Agriculture can continue to ignore long and repeat their confused and unintelligent remarks thereby hoping to make them become respectable by continuous repetition. It does not make any difference that their two main arguments:

- (1) Barter is displacing cash sales; and
- (2) We are hurting Canada by our barter sales, are paradoxical.

I think that is quite interesting. If barter is displacing cash sales and at the same time we are hurting Canada by our barter sales, I do not see how we can have both shoes on at the same time.

I continue reading the letter: Obviously, the fact that the claim is that Canada refuses their claim that barter displaces cash sales makes no difference to them. Also the fact, their claim that we hurt Canada, smacks of inequity, since then not at all. First of all if indeed we hurt Canada, which is questionable, then we could hurt them only by our wheat sales.

I submit that there are many other commodities in the Commodity Credit Corporation eligible for barter besides wheat.

Continuing with the letter:

However, in their stubborn anxiety to kill barter they overlook this simple inconsistency. Furthermore, they ignore:

1. The barter program has helped considerably another segment of the Canadian economy: metals and minerals.
2. We have been restricted to sales of commodities as a matter of practice to friendly countries; whereas Canada has no such inhibitions. Only last week they sold to Red China. And the trade is branding themselves for more of such trades.

We appreciate very much your enclosed Senate Bill 8420 and accompanying report.

The letter is signed by Charles A. Cogliandro, of the Calabrian Co., of New York City.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG. Is it not true that Canada has been opposed to all the provisions of Public Law 480?

Mr. HUMPHREY. I think our friends in Canada have not been happy about Public Law 480. I compliment the Government for administering Public Law 480 carefully, to see to it that the foreign-policy aspects of it are not injured. I want to see Public Law 480, as the Senator from North Dakota knows, administered in a way that is helpful, and not injurious, either to ourselves or our allies. I wish to do everything I can, within reason, to be of help and to be kindly to our friends in Canada, but I say, most respectfully, to our friend in Canada, their dollar is worth every bit as much as our dollar is.

Mr. YOUNG. It is worth more.

Mr. HUMPHREY. Canada's currency is solid. Canada's only overproduction problem is in wheat, but our overproduction is in more commodities than that, and I see no reason for American farm producers to drop dead merely because somebody says the law is going to make somebody unhappy. Our farmers have been unhappy for such a long time that they have difficulty smiling.

Mr. YOUNG. If we were to sit back and have no program to promote increased exports of our surpluses, we

would probably please other people which also have surpluses, but we would certainly not be doing justice to the rest of the world. How can we sit back with all these surpluses and not make them available to the hungry people of the world? I think we would be more subject to criticism for not making our surpluses available than we would be if we followed our present course of trying to make our surpluses available to food deficit countries.

Mr. HUMPHREY. I thank the Senator.

I wish to point out that in every barter deal dollars are involved. The argument of the Department of Agriculture about barter deals displacing cash sales falls flat on its face. First of all, the only way a barter deal is ever made is if the barterer converts the commodity into dollars, which dollars are then used to purchase minerals or materials in other countries. So if one of our objectives is to be able to get dollars into dollar-deficit countries, one of the best ways to do it is by barter.

Mr. YOUNG. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. YOUNG. I have always believed the Canadians were among our best friends in the entire world. I would have more sympathy with them, however, and with their problem of farm surpluses, if they tried to do something, as we are, to curtail their production and if they did more, as we are, to try to export their surpluses. I do not see how they can sit back, without any curb whatever on production, increase their production all the time, and then expect us to solve their problem for them.

Mr. HUMPHREY. I could not agree more.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. As the Senator knows, there is going to be considerable opposition to the effort to extend the Reciprocal Trade Act. Those who oppose the extension of the Reciprocal Trade Act will contend that the trouble with it is that it is not reciprocal. It will be said that while some of the other countries take some of our markets, often we get taken in many respects, because we never get a market when we give up some of our markets. Certainly, the provision now being debated is reciprocal, because if we give something, we get something in return. We give a market and we get a market.

Mr. HUMPHREY. Certainly. One of the arguments I heard on the floor last night about this bill and its provisions was that it would have a tendency to raise prices in America.

The Department of Agriculture issued a report which showed that Public Law 480 had tended to raise agricultural prices. That is one of the objectives we seek. The barter provisions of Public Law 480 have had a tendency to firm up the metals market when the barter provisions were used. The testimony is clear and unmistakable.

Americans would recognize that in a world of competition there is nothing wrong with competing. I wish we would recognize, whether we use barter or do not use it, we are not going to make sales unless we offer a good commodity at the right price. I wish we would recognize that our friends in West Germany, France, Belgium, Holland, Denmark, Japan or wherever they may be, are tough dealers. They are rugged traders. I love them for it. All the more power to them. They are out to get some business. I see no reason why this great free enterprise, competitive system of ours, under which we compete at home for every sale, should not enable us to compete abroad.

All barter means is an additional way of trading. It does not supersede something else. It is an additional means for trading. One can sell merchandise for cash, one can sell merchandise for credit, or one can sell merchandise on time payments. That is all it is. What would the American businessman think if we passed a law which said to him, "The only way you can sell anything is for cash." I am afraid the whole American economy would fall flat on its face.

We are being asked to limit the Department of Agriculture in its ability to dispose of surpluses in a legitimate manner, after consulting with all the agencies of Government and taking into consideration every conceivable factor. There are people who insist we should limit the authority and the power of the Department of Agriculture to dispose of these surpluses.

Let us have no more talk about surpluses, if we are not going to permit the Department to make use of them. Let us have no more talk about the cost of storing surpluses, if we are unwilling to barter for materials which involve little or no storage charge.

I want those who oppose this proposal of mine, of this proposal of the committee, to explain how they are going to justify the expenditure of an extra \$100 million a year in storage charges. With respect to the \$844 million worth of agricultural commodities which have been bartered, the Government of the United States has made \$55 million net profit, and put it in its jeans. That is not bad in this day and age when a recession is underway.

Furthermore, the Government has saved \$103 million every year in storage charges. That sum may not be much to the State Department, to the Department of Agriculture or to some others, but to the folk I represent in Congress, \$103 million a year is a sizable contribution.

I say to my colleagues that before they follow the line laid down by the lobbyists in the reception rooms, sent here by the administration to upset the proposal of the committee, they had better be prepared to announce to their constituents that again they took the advice of the Department of Agriculture, which will result in piling up more surpluses, in waste and deterioration of surpluses, and a continued high cost of storage, when we could have bartered at least an appreciable amount of these commodities.

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every year—up to \$500 million worth—for materials which had as much value as the agricultural commodities, or more, for commodities which were cheaper to store, which were not subject to deterioration, and which were needed for our national economy.

I want to be around when somebody explains to the wheat farmer or to the cotton farmer or other farmers that we have decided Ezra knew better than anybody else.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LONG. I believe the explanation should also include why Senators voted for economic support for some of these same countries—to give them money—when we could have traded with them and permitted them to have some of the commodities they needed.

Mr. HUMPHREY. I join with the Senator. Some of the very countries which would be involved in a barter arrangement would not only be getting the goods they need, but would also be getting American dollars. We must remember that the commodities which the bartering company obtains from the Commodity Credit Corporation are sold and made available to get dollars. The dollars are used in the countries where American loans are going, where American military assistance and economic assistance is going. I see no reason why the people of those countries should not earn a dollar from a reasonable barter agreement.

Mr. President, I send to the desk an amendment which would modify the committee amendment, by striking out section 6 on page 4—both subsections (a) and (b)—and, on page 3, line 8, inserting "strategic and other" before the word "materials."

The purpose of the amendment is twofold. First, it will leave the reference in the Agricultural Act of 1956 pertaining to the supplemental stockpile exactly as it is, which means in substance that strategic, critical, and other materials are eligible for the supplemental stockpile. Secondly, the so-called duty-free provisions will apply only to the strategic materials.

The distinguished Senator from Florida [Mr. HOLLAND] pointed out my error yesterday, and the Senator was correct. I have studied the matter carefully. I have consulted with committee counsel. I am therefore offering an amendment to strike out section 6, on page 4, and to insert on page 3, line 8, after "(a)" and before the word "materials" the words "strategic and other," which will make the language of the provision the same as the language of the Agricultural Act of 1956, relating to stockpiling of strategic and other materials.

Mr. President, I believe I am correct, after having consulted the Parliamentarian in stating that since the amendment is a refinement of the committee language it has precedence over the pending amendment.

The PRESIDING OFFICER. The perfecting amendment concerning the language to be stricken out takes precedence over the pending amendment.

The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 8, after "(a)", it is proposed to insert the words "strategic and other", and on page 4, beginning on line 17, to strike out section 6.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota to the committee amendment.

Mr. HUMPHREY. Mr. President, the amendment would make section 303 and section 302 identical as to the description of materials. The amendment would retain the directive to the Secretary as to barter which is contained in the committee bill, and would retain the authority in the present law to transfer to the supplemental stockpile strategic and other materials.

The amendment would limit the duty-free aspects to strategic materials. If the Department of Agriculture wants that provision extended to other materials, the Department will have to come before the committee and make its own presentation. It was the Department which asked for the duty-free aspect on strategic materials.

It seems to me the amendment will accomplish some of the purposes which were referred to yesterday, and should be helpful. It will not in any way change the basic law relating to stockpiling.

The amendment directs the Secretary of Agriculture to be considerate of both strategic and other materials in his bartering arrangements.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would the amendment proposed by the Senator provide that only strategic materials could be brought into the country duty-free?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Would it also mean that any other materials, as referred to on page 3, which are brought in by reason of barter, shall not be transferred to the stockpile?

Mr. HUMPHREY. No; it would not. It means exactly the opposite. It means that the strategic and other materials shall be available, as the act now provides, for the supplemental stockpile. That is what the present law provides.

Mr. AIKEN. The Commodity Credit Corporation can continue to hold them indefinitely.

Mr. HUMPHREY. My proposal provides exactly what the present law provides.

Mr. AIKEN. It refers to strategic and other materials. What does the Senator mean, on page 3, by saying that "strategic and other materials of which the United States does not domestically produce its requirements" may be bartered for?

Mr. HUMPHREY. It means that section 206 of the Agricultural Act of 1956 prescribes at present.

Mr. AIKEN. This means that the Secretary can barter for nonstrategic materials.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. Up to \$500 million.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. It does mean, however, that nonstrategic materials cannot be brought into the country duty-free.

Mr. HUMPHREY. That is correct.

Mr. AIKEN. But strategic materials may be.

Mr. HUMPHREY. They may be.

Mr. AIKEN. Suppose strategic materials are bartered for, and are not acceptable to the stockpile. Are they subject to duty, or not?

Mr. HUMPHREY. Whether they are acceptable to the stockpile or not, strategic materials once bartered for by the Department of Agriculture are duty-free.

Mr. AIKEN. That would include lead, zinc, and so forth.

Mr. HUMPHREY. That is the provision of the present law.

The provision is:

Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse free of duty.

What I have done is merely to restore the law as it was.

I confess that in the committee discussion of this subject there was an inadvertent error with reference to the revision of Section 206 of the Agricultural Act of 1956, so we have restored the language.

Mr. AIKEN. It still leaves a virtual direction to the Commodity Credit Corporation to barter up to \$500 million, even if it comes out of dollar sales or displaces dollar sales.

Mr. HUMPHREY. It does not, except that it states that the materials shall be strategic, and other materials, so that there can be no doubt about the will of the Congress.

Mr. AIKEN. It would eliminate the provision of the present law which requires the Secretary to protect the interests of the Commodity Credit Corporation and the United States.

Mr. HUMPHREY. That provision is not eliminated. The report takes care of that. The legislative history will take care of that matter.

The only reason certain specific language was eliminated from the proposal was that it was on that particular phrase or clause that the certificate of additionality was predicated.

Mr. AIKEN. It still requires the Commodity Credit Corporation to carry these goods until they can be disposed of.

Mr. HUMPHREY. The situation is the same as under the present law.

Mr. AIKEN. Under the present law, unless the commodities could be accepted in the stockpile, the Commodity Credit Corporation would have to carry them. But the Commodity Credit Corporation has no supplies of lead, zinc, or copper.

Mr. HUMPHREY. I say respectfully to the distinguished Senator that the testimony I read this afternoon, by Mr. Berger, of the Commodity Credit Corporation—

Mr. AIKEN. I would not say that the modification of the Senator from Minnesota would improve the situation much. It would improve it to the extent of requiring nonstrategic materials to be sub-

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ready referred it will mean that all materials, both strategic and otherwise, will again be contained in the new law.

Mr. HUMPHREY. That is correct, Mr. HOLLAND. What I have objected to is the provision concerning the acquiring by purchase of all other materials—both strategic and nonstrategic materials—from the Commodity Credit Corporation. That provision will then read as follows:

Materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing such materials shall purchase such materials from the Commodity Credit Corporation in fulfillment to the extent available in fulfillment of their requirements.

That will mean that all materials acquired in pursuance of a barter arrangement by the Commodity Credit Corporation will be held to be sufficient assets of the Corporation to the point where they are available for purchase by Government agencies that may require them.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. And these Government agencies are required to purchase them from the Commodity Credit Corporation?

Mr. HUMPHREY. Yes.

Mr. HOLLAND. I come back to the point I discussed earlier. It would be detrimental to industries that are in trouble, or industries that may be in trouble, because we would be providing a preferred supply source to agencies of the Government. I gave yesterday the case of the Navy with reference to tung oil. It will make available supplies at less than cost and the sale price of the same commodity produced by our domestic people. Of course, there are many more illustrations like that, which will occur to the Senator.

It is in that respect that I think that in order to make good the corrections we were talking about yesterday, it is completely necessary to restore the sentence which I have already read in my discussions at least 2 or 3 times, to where it will apply only to strategic materials.

Mr. HUMPHREY. May I ask the Senator—

Mr. HOLLAND. Provided it applies only to strategic materials, I shall be in a position to support the Senator's amendment and the bill. I believe such correction will meet the two objections I voiced yesterday.

Mr. HUMPHREY. Mr. President, may I ask a question of the Senator?

Mr. HOLLAND. Certainly.

Mr. HUMPHREY. Is it the Senator's understanding that the term "other materials," and the goods which would be acquired under that language, would be eligible for the supplemental stockpile?

Mr. HOLLAND. Yes; but not, as I understood the purpose of the Senator from Minnesota, eligible for sale to other agencies of the Government in such a way as to bypass a domestic industry that produces the same materials.

Mr. HUMPHREY. It is my understanding—and I may be misinformed, or I may be misunderstanding the Senator's objection—that lines 8 to 11, inclusive, are primarily directed at the Office of

Defense Mobilization or the General Services Administration, that are in charge of the stockpiling operations, to make these purchases. That is what that language essentially means. It means that materials so acquired shall be considered as assets of the Corporation, and that the other agencies of the Government, such as GSA and the Office of Defense Mobilization, shall be required to purchase those materials for their stockpiles.

Mr. HOLLAND. This does not relate to stockpiles at all. It says that materials so acquired shall be considered as assets of the Corporation, just like surplus corn or surplus wheat, and that other agencies of the Government, which is a very general term, in purchasing such materials, shall purchase—and the provision is mandatory, because it says "shall purchase"—

Mr. HUMPHREY. I believe the Senator is right.

Mr. HOLLAND. It provides that they shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements.

If the Senator restores the sentence to where the language applies only to the purchase of strategic materials, as it is in the present law, I shall be in a position to support the bill.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. Before the Senator makes that concession I should like to call his attention to the fact that we will be affecting strategic materials which will include lead and zinc. If lead and zinc are free for the commercial market and come in duty free, we are going to be in the same position we were in 1954. I was under the impression that all the commodities bartered for either go into the national stockpile or into the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. So I urge the Senator from Minnesota not to be hastily drawn into an agreement that might release strategic materials.

Mr. HUMPHREY. I am not being drawn into anything.

Mr. CARROLL. I have a vital interest in lead and zinc. If we are going to exclude one category, I believe we had better look to see what is in the strategic stockpile so far as critical and strategic minerals are concerned.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I am not trying to persuade the Senator to do anything. I am calling his attention to the fact that he has met one of the objections I made yesterday, but he has not met the other one. If he leaves the language so that nonstrategic materials will be in the hands of the Commodity Credit Corporation, in such a way that they are available to every other Government agency that may need them, and the Government agency is required to deal with them prior to its ability to deal with the general trade, I shall object to such a provision, because I believe it would harm some industries in our country.

I do not want the act to be subjected to the carrying of a cross which I do not believe it can successfully carry.

Mr. HUMPHREY. As the Senator heard me say earlier, I was attempting to find language which would be properly restrictive, so as not to permit the vast importation of goods which would adversely affect or injure American producers, manufacturers, or processors. I felt that we had in the bill language which made that possible when we restored section 206, or rather left it intact, or removed section 6 from the bill. Because, speaking now to the Senator from Colorado, we provide that so far as acquisition of any materials, strategic and otherwise, is concerned, they are eligible for the Nation's national or supplemental stockpile.

But what the Senator from Florida refers to is the warning to the different agencies of the Government that there is a stockpile agency which acquires materials. In other words, suppose the Department of Defense, the Department of Commerce, or some other department, desires to obtain goods which were acquired under the barter program. It is to this that the Senator from Florida is referring.

Mr. HOLLAND. That is correct.

Mr. HUMPHREY. There is the protection, in that sense, of denying to the agencies of Government the opportunity of purchasing from the Department of Agriculture the other materials which the Department of Agriculture may obtain.

Mr. CARROLL. This is of vital importance to the mining industry. I was under the impression that once the materials entered the stockpile, no Government agency could purchase from the stockpile. That would be to the great detriment of the domestic economy.

Mr. HUMPHREY. Exactly. That is still protected. This is over and above the items which would go into either the strategic or the supplemental stockpile.

Mr. HOLLAND. The Senator from Colorado has gone exactly to the point to which I have been addressing myself, namely, that materials in general, not strategic materials specifically, but materials in general, which could be acquired under the mandated program, would be not only held in the stock of goods available for sale by the Commodity Credit Corporation to Government agencies, but it would be required that other Government agencies which needed those goods should buy them. In the first instance, from the Commodity Credit Corporation, if they could be obtained there. That means that supplying groups, whether of an industrial, a mining, or an agricultural nature in this country, would be directly affected under the distribution programs.

I think this problem can be straightened out. I think the other amendments proposed by the Senator from Minnesota indicate that he is moving in the direction I had suggested. I hope he will move all the way. It is with that in view that I am bringing this point to his attention.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

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Mr. MANSFIELD. I note that the amendment offered by the Senator on page 7, line 8, inserts the words "strategic and other" before the word "materials."

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. Would the Senator consider further amending his amendment by having it read, "scarce strategic and other materials"?

Mr. HUMPHREY. If a material is strategic, it is scarce. It reads: "Of which the United States does not domestically produce its requirements."

Mr. MANSFIELD. But we do not produce our needs in manganese and tungsten. We produce only 10 percent. Both metals have been coming in under the barter program. If "scarce" could be placed in the amendment, I think it would be of benefit to the mining industry.

The Senator from Minnesota, who comes from a mining State, knows that the iron and taconite holdings in Minnesota are, generally speaking, in a very depressed condition. I use the word "depressed" advisedly. There is not a recession in the mining industry; it is a depression.

Mr. HOLLAND. May I make an alternative suggestion? I think the point could be made in either 1 of 2 ways: By changing the word "materials," which is the first word in line 8, to "strategic materials," which is the language in the present law.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Or, if the Senator wishes, by limiting the agencies of the Government to which this sentence refers to those charged with the duty of accumulating stockpiles, either approach would bring about the objective.

Mr. HUMPHREY. I think the best procedure would be to restore the words "strategic materials as acquired by the Commodity Credit Corporation." Thus the stockpiles about which Senators are deeply concerned, both the supplemental and the national stockpiles, would be protected.

Mr. HOLLAND. That would leave the law as it is, with two very real exceptions. Both of them, I believe, were in the minds of the Senator from Minnesota and other Senators. One is that a much stronger mandate is placed upon the Secretary of Agriculture to use the barter power than heretofore. The second is the provision that both the domestic and foreign stocks may be used in blending ore, such as was discussed before on the floor, under the new wording put in the bill.

Mr. HUMPHREY. That is correct. It sets a ceiling or a goal upon bartering.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. Would not the Senator be willing to place in his proposed amendment the provision in the present law which safeguards dollar sales?

Mr. HUMPHREY. No.

Mr. AIKEN. It virtually directs the Secretary to barter up to \$500 million.

Mr. HUMPHREY. That has been the whole argument with the Department of

Agriculture. If we put back what they have been resting their case on to stop bartering, then our proposal has been built over exercise. Frankly, I am not that hungry for exercise.

I am of the opinion that we have done what needs to be done. I appreciate the thoughtful discussion which has been contributed by Senators on this matter. It seems to me that with the amendments which have been proposed and the clarifications which have been made, for which I owe much to the Senator from Florida, we have an acceptable measure. It does exactly what we have sought to do—to get the Department of Agriculture to look upon bartering not as a runaway dumping device or as a means not to be used, but rather as another of the instruments or tools to be used in the orderly disposal of the sale and use of agricultural commodities.

I modify my amendment along the lines suggested by the Senator from Florida. On page 4, line 8, before the word "materials," I insert "strategic," which brings the language into conformity with the established pattern of the Department of Agriculture used up until May 23 in the acquisition of and the disposal of strategic materials.

That pattern, I may say to my friends from the mining areas, was helpful so long as it was being exercised to stabilize the market and the price structure of our minerals, both in the United States and abroad.

I think we have all the protections we need, in light of the fact that both the supplemental and strategic national stockpiles are available for the strategic and other materials acquired. Once they are in those stockpiles, then they are to be taken out only in case of deterioration, war, or by act of Congress.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I commend the junior Senator from Minnesota for a very clear exposition of a difficult question. One could almost use Colorado as exhibit A. In the plains area are great numbers of wheat farmers. They will have surpluses. In the mountain areas are the lead and zinc. There a depression exists; mines are closing and unemployment is growing.

As nearly as we can balance for the surpluses, we can use the bartering program which the Senator has tried to re-activate. It was once a good program. I do not know why it was abandoned, except on the theory that the cash sales were desired.

The Senator from Minnesota has made a notable contribution to the public understanding of this matter. He is suggesting one of the ways by which we can reduce the storage costs and the great surpluses.

I hope the Senator, in the interpretation of his amendment, will give protection to the mining industry.

Mr. MANSFIELD. The Senator from Colorado is absolutely correct. When the stockpile program was inaugurated by the United States Government, lead and zinc began to come into the country

and compete in the open market. From that time onward, prices were depressed, not because of the competition that followed, but because of a lack of buying from the stockpile.

Mr. HUMPHREY. It was because of the lack of absorption, and of commodities coming in without being added to the stockpile.

Mr. CARROLL. That is precisely the point. In 1964 the Tariff Commission was given this problem to study and solve. They made recommendations to the President of the United States, which being fire for a period of time, until this barter program was reactivated or was put into action by the Department of Agriculture.

The junior Senator from Minnesota has made a great contribution by explaining the working of the whole program.

I wish to ask one more question for the Record: By means of the amendments, will the bill leave the barter program where it was before?

Mr. HUMPHREY. No. By means of these amendments, the bill will leave the procedure for stockpiling as it was before, and will leave as it was before the procedure for the ascertainment of whether a deal would be worth while and whether it would bring in substance of value. But these amendments would remove from existing law the language which permits the Secretary of Agriculture to withhold bartering, on the basis of a belief by him that it would interfere with dollar sales. In other words, these amendments would give a limited directive; they would say that, so far as practicable, the Secretary of Agriculture would be directed to engage in bartering, within the limitations which have been written into the bill and into the amendments which have been accepted—those which the Senator from Florida (Mr. Holland) suggested in the course of his participation in the debate both yesterday and today.

Mr. CARROLL. I did not quite finish my question. I observe that on page 577 of the hearings, the representatives of the Department of Agriculture reported that the Department has in certain stockpiles approximately \$310 million worth of certain commodities, for instance.

Mr. HUMPHREY. Yes.

Mr. CARROLL. Some of those commodities or materials, valued at \$125 million, were transferred to the national stockpile; and certain of them, valued at approximately \$175 million, were transferred to the supplemental stockpile.

Mr. HUMPHREY. That is correct.

Mr. CARROLL. I wish to be certain that, under existing law, those critical and strategic materials in the stockpile cannot be sold in the open market. Is that correct?

Mr. HUMPHREY. Yes; it is correct.

Mr. CARROLL. In the case of this proposal, the amendment is the same as the law existing today, is it?

Mr. HUMPHREY. Absolutely—

Mr. CARROLL. Except in the case of extending and expanding the barter program?

Mr. HUMPHREY. Yes.

PROPOSED INCREASE IN DUTY ON IMPORTS OF CANADIAN GRAIN UNFIT FOR HUMAN CONSUMPTION

Mr. LANGER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. LANGER. A few days ago I received from certain operators of North Dakota elevators and from other North Dakota citizens letters stating that there is only a 5-cent duty on the imports of Canadian wheat which is unfit for human consumption. They want to have the duty raised.

In that connection, I wrote a letter to the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana (Mr. ELLENDER). In that connection, a report was requested from the Department of State.

Believe it or not, Mr. President, the Department of State has objected to an increase in the duty; it did not want the duty increased. It said it was opposed to such an increase because it wished to maintain friendly relations with the Canadian Government.

On yesterday, we had under discussion that Canadian situation, in connection with this bill, as the Senator from Minnesota will remember.

It seems to me that when American farmers object to the importation of poisonous grain, grain which is entirely unfit for human consumption, and when they want a reasonable duty—of 15 or 20 cents a bushel—imposed on it, neither the Department of Agriculture nor the Senate Committee on Agriculture and Forestry should be swayed by what may be written in by some clerk.

Mr. HUMPHREY. Mr. President, I am sure the Senator from North Dakota will be very happy to know that this morning the Committee on Agriculture and Forestry, at the request of the junior Senator from North Dakota (Mr. Young) and the request of the chairman of the committee, the senior Senator from Louisiana (Mr. ELLENDER) and, I believe, the request of the Senator from Florida (Mr. HOLLAND), moved to report to the Senate the bill to which the Senator from North Dakota refers. I believe it is Senate bill 666.

Mr. HOLLAND. What bill is that?

Mr. HUMPHREY. I believe the Senator from North Dakota (Mr. Young) moved that the bill be reported to the Senate.

Mr. ELLENDER. And it was reported.

Mr. LANGER. I thank the Senator from Minnesota.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 335. An act to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service; and

S. 3418. An act to stimulate residential construction.

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The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. GATHINGS, Mr. HILL, and Mr. HOVEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 483) to amend the act of August 20, 1954, establishing a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 68. Concurrent resolution favoring the acceleration of civil construction programs for which appropriations have been made; and

S. Con. Res. 69. Concurrent resolution favoring the acceleration of military construction programs for which appropriations have been made.

AMENDMENT OF SOIL BANK ACT, RELATING TO CORN ACREAGE ALLOTMENTS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 10843) to amend section 114 of the Soil Bank Act with respect to compliance with corn acreage allotments, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. HUMPHREY. Mr. President, in order to make my amendment completely clear, I modify it as follows:

On page 4, in line 8, strike out the word "materials", and insert "strategic materials."

That modification will take care of the situation indicated by the Senator from Florida.

Mr. LAUSCHE. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I have tried to read the hearings, in order to ascertain the positions taken by the Secretaries of the various departments. But I find the task to be rather difficult.

Therefore, I should like to hear the Senator from Minnesota state the position of the Department of Agriculture and the Department of State, and also the Department of the Interior, for I believe a representative of that Department, also, testified at the hearings.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. I should also like to have the Senator from Minnesota indicate the position taken by the representatives of other departments who testified, if the Senator from Minnesota can do so without going to too much trouble.

Mr. HUMPHREY. In relation to the extension of Public Law 480, without the barter changes we are proposing, the administration, through representatives of the Bureau of the Budget, the Department of State, and the Department of Agriculture, supports the basic extension.

As regards the amendments which were proposed—

Mr. LAUSCHE. Prior to the correction?

Mr. HUMPHREY. I believe I am correct in stating that all parts of this bill—with the exception of section 303, the barter section—receive support from the Department of Agriculture.

The 2-year provision, as I recall, was not opposed by the Department of Agriculture; but neither did the Department of Agriculture support it.

Mr. ELLENDER. The Department of Agriculture did not support it in its report; but Dr. Paarlberg, who testified, urged no objection to the 2-year provision.

Mr. HUMPHREY. Yes.

So the real argument has been over section 303 of the bill, which has received opposition from the State Department and the Department of Agriculture. I cannot speak for the Department of the Interior, except to say that the witness for the Department of the Interior who testified about bartering was much more sympathetic toward it, and, in fact, encouraged an extension of bartering—as contrasted to the position taken by the Department of Agriculture, which discouraged it.

Mr. LAUSCHE. That confirms the impressions I gained from reading the testimony.

Am I correct in believing that the objections are primarily on 2 or perhaps 3 bases: First, that it would create difficulties with friendly nations who, because of this method by which we dispose of gain, through barter, are en-

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countering competition in the sale of grain?

Mr. HUMPHREY. That is the assertion that is made.

Mr. LAUSCHE. Second, that this method of disposing of our surplus agricultural commodities prevents the making of transactions which otherwise would be made in the market, on a dollar-sales basis?

Mr. HUMPHREY. That is the claim.

Mr. LAUSCHE. On page 524 of the hearings, I find the testimony of Mr. Berger, who explained why the barter program was discontinued. By referring to the last full paragraph on that page, we find that he pointed out the following:

You will note that this so-called easy market—this traditional dollar market for our commodities—took only 30 percent and 31 percent, respectively, in 1955 and 1956 of United States agricultural exports other than barter.

In the tabulation previously referred to, I take it that he identified the United Kingdom, the Netherlands, Belgium and Luxembourg, France, and West Germany as potential dollar purchasers.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. And he pointed out that those who bartered, and who normally would buy with dollars, in 1955 and 1956 bought only 30 and 31 percent, respectively.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. Third, is it the position of some of the Departments that we are foisting upon other nations the acceptance of obligations, in making public improvements, which will encumber their economies to a degree far greater than they will be able to bear?

Mr. HUMPHREY. I would not say that was one of the complaints that had been made; no.

Mr. LAUSCHE. I read one complaint which expressed that view. Those two are the primary complaints.

Mr. HUMPHREY. The two which the Senator has so succinctly analyzed are the primary complaints: No. 1, that barter replaces cash sales; and, No. 2, that it interferes with our foreign relations.

I only add to the evidence on that point by stating that we had complaint about the reception of that arrangement in only 1 or 2 countries, and that was primarily in the barter program. I must say, most unfortunately, that we had some complaints with respect to the sale of certain surplus dairy products and some cotton; but in the main, considering the amount disposed of, I think the complaints were minimal.

Insofar as cash sales are concerned, I am open to conviction, but I have not found testimony to back up the contention which has been made. I think Mr. Berger himself said we did not have conclusive evidence.

Mr. LAUSCHE. While he said he did not have conclusive evidence, in my opinion the tabulation which he put in the record offers sufficient strength, in my judgment, at least to cause minds to differ, and many minds would come to the conclusion that the barter program had displaced the cash sales program.

Mr. HUMPHREY. I may say, as a point, it happens that the best years we had for exporting agricultural commodities were 1955, 1956, and early 1957. It was in those same years that we had the greatest number of barter transactions. One must go back a little further and find out how well we were doing in export sales before bartering came into effect. When one does that, he finds we were not displacing cash sales; we simply were not getting them. The only reason why a barter sale works at all is that a little better price is obtained. The reason for that is that the product is not bought from another country.

Mr. LAUSCHE. I have a final question, if I may ask it.

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. In what manner is the present law changed so as to bar the Secretary of Agriculture from considering as a factor, in making up his judgment, the invasion of barter into the field of cash sales?

Mr. HUMPHREY. I point out to the Senator from Ohio that in the report accompanying the bill it is stated that we expect the Secretary to use caution, prudent judgment, and common and good business sense. That is the advice the Congress gives to him. Also, we say he shall barter, in so far as it is practicable, providing certain requirements are met, such as that the material bartered for is more storable, has good value, and does not cost as much for storage. We are just going to have to rely on the Secretary.

Mr. LAUSCHE. If we rely upon the Secretary to use his judgment, what is wrong with the suggestion made by the Senator from Vermont (Mr. Aiken) that there ought to be language in the amendment which will not bar him from considering the extent to which barter has invaded the ability to make cash sales?

Mr. HUMPHREY. From my point of view, the reason is very easy to understand. It is that language which has killed the barter program. It is on that very language that the Secretary has rested his entire case. It is on that basis that he stopped the program—the same program, by the way, that was in operation 2½ years, the same program which was praised as doing good and as being a good tool in our surplus disposal program. On May 28, 1957, for reasons I have been unable to ascertain, the program was stopped, and only \$400,000 worth of business was engaged in from May until October 1.

Mr. LAUSCHE. For the purpose of discussion, assume that, justifiably, and based on evidence, the Secretary of Agriculture does find that barter has hampered cash sales. What, in the opinion of the Senator from Minnesota, should the Secretary of Agriculture do under that circumstance?

Mr. HUMPHREY. I think under that circumstance he should make the cash sales.

Mr. LAUSCHE. Would the Senator from Minnesota go so far as to say that in that instance barter transactions ought to be stopped?

Mr. HUMPHREY. I would say that in that instance the Secretary of Agriculture ought to reject a barter arrangement. In other words, if he finds a cash sale can be made by a grain company—I trust they would be engaged by the private trade—he ought not to take, in its place, a barter arrangement. However, I point out that the same companies that engage in cash sales do bartering. The only reason why they sometimes engage in bartering is that they have an opportunity to make sales that could not be made for cash.

I want the record to be clear that, as I stated earlier in this debate, I feel Title I sales for soft currency surely ought to have a priority type of treatment. The most important sale is for dollars. The second is for soft currency. High in the same category is barter. So if the Secretary has any doubt about how the Senator from Minnesota feels, I hope this discussion will dispel that doubt. I feel the questioning by the Senator from Ohio has been very helpful. I think whenever we can make dollar sales, we ought to pursue them.

Mr. LAUSCHE. Will the Senator yield so that I may ask the Senator from Vermont his opinion on a matter?

Mr. HUMPHREY. I yield for that purpose.

Mr. LAUSCHE. I should like to ask the Senator from Vermont for his interpretation of the discretionary power which will lie in the Secretary of Agriculture in considering whether the situation is such that barter is invading cash sales.

Mr. AIKEN. I would say the proposal of the Senator from Minnesota removes all discretion on the part of the Secretary of Agriculture. It virtually directs the Secretary to barter, up to \$500 million worth a year, even if all of it would come from what otherwise would be dollar sales. As I pointed out yesterday, a great majority of our bartering, to the extent of \$900 million, was with countries of western Europe which normally paid dollars. When we stopped the bartering, our deliveries kept up just the same. The countries paid in dollars.

Mr. HUMPHREY. I would say to the Senator from Ohio, in response to the view of the Senator from Vermont, the only reason a barter sale was made to a country in Western Europe was that the country was able to get a little better price from an American firm than from an Argentine firm or an Australian firm or a Canadian firm. Remember, if it was in Great Britain, for example, and the price was equal between the United States and a Commonwealth country, the Commonwealth country would get the business.

So we would not have had a cash sale if the cash prices had been equal.

When we talk about displacing American dollar sales, I point out that we cannot displace dollar sales if we were not going to get the sales, and we would not get them unless the price and quality were right.

The evidence which the traders have given is quite important. They are not

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all cheering for barter. Every one of the companies, except one, said they were essentially cash traders. However, they said bartering aided them in cash deals. That was the testimony of representatives of the Crofton Grain Co., the Continental Grain Co., and one or two others, who appeared before the committee.

We had a half dozen or more such witnesses before the committee. We heard a representative of the Bunge Corp., which is one of the largest companies in the world. It is an international company. Every witness said without exception that there was no evidence which might be called conclusive that bartering displaced cash sales, but everyone said there was evidence barter assisted in the sales program and provided a good market.

Mr. AIKEN. Mr. President, will the Senator yield so that I may further answer the question of the Senator from Ohio?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I will give the Senator an example. The Berlin, Germany, grain market is very much upset today. A rumor spread through the market that the provision advocated by the Senator from Minnesota might be incorporated in the extension of Public Law 480, and feed grains might be purchased in Germany at from 4 to 10 percent less than the normal export price. The Federal Ministry of Agriculture in Germany has had many calls this morning, and has asked the State Department to find out what the situation is and report back to them, so that they can report to the Germans who are interested in the matter.

I also wish to say that international traders working through barter, apparently did go into Western Europe last year and the year before, and slashed the price of grain—I do not know whether it was from 4 to 10 percent, or how much—to such an extent that we narrowly avoided devastating trade war with Canada, Australia, and other countries.

I am sure if the provision in the bill under consideration is adopted, we will be in a trade war. While we may sell a little more barley to Germany by reason of the provision—and barley is the commodity they have in mind—we will immediately be in a devastating trade war, which will force down the price of our wheat. When we get into a trade war involving wheat, we will get the short end of it.

The situation was so bad last year as a result of bartering that the topflight officials of Canada insisted on meeting with the topflight officials of the United States, and they entered into an understanding to the effect that the United States would stop the cutthroat trading in Western Europe, which is demoralizing not only that market but our market and the Canadian market. It is now proposed, within a year, that we violate the understanding and enter into cutthroat competition again, so that half a dozen international traders in New York can make fortunes in a very short time. That is the whole story.

Mr. LAUSCHE. May I say something to the Senator from Minnesota?

Mr. HUMPHREY. May I respond first to the rather dramatic expression I have just listened to?

We are not trying to benefit a half-dozen traders in New York. I will stake my record as to internationalism, international understanding, and international cooperation against that of the Senator from Vermont.

Mr. AIKEN. If this provision is approved, that is what will happen.

Mr. HUMPHREY. I have the most kindly attitude toward our good friends to the south, north, east, or west. There is no attempt to try to injure our friends. Just as we seek not to injure our friends abroad, may I respectfully suggest it would not be a bad idea to seek not to injure our producers at home.

When I hear, for example, that we can sell some feed grains, when we have a surplus of feed grains depressing the market to the point where the feed-grain producers are "going broke," that is all the more reason, I suggest, why we should get busy and sell some. We will not have much of a foreign-aid program or any other program if this country goes into an economic tailspin.

One of the purposes of the pending legislation is to attempt to help stabilize markets.

Mr. President, I say again that if the Secretary of Agriculture, the Secretary of State, or any other Secretary can show that the provision will injure our foreign relations, I shall be the first to join with any Senator, if it is properly handled, in putting into the bill whatever protective language or restraining language may be necessary.

Mr. President, for 2½ years the barter provisions under Public Law 480, which we are now seeking to amend, have been on the statute books. There were some complaints from other countries about dumping, but they were limited complaints. I must say, and, after careful examination, most of them were shown to be unfounded. I have had some of the complaints run down and have submitted the replies of Government departments to friends overseas.

I submit that we have gone from one extreme, where we were doing considerable bartering and the Department was praising its efforts—heralding its program—to the other, where we do no bartering.

I regret that the argument about bartering has gotten out of proportion, but the Department sought to make trouble. The Department did not come before the committee to say, "Congress will have to modify the barter provision." I wish to say to my friend, the Senator from Ohio, that not one witness from the Department of Agriculture came before the committee to suggest that there be any modification whatsoever of the law. Bartering was handled by administrative rule, or administration regulation. It went from the height of \$414 million a year down to \$400,000, in 6 months, at the same time the agricultural prices were depressed. It was all done on the basis of what was said earlier, international relations.

I know our Government officials met with the Canadians. I am glad they did.

There is nothing whatsoever to prevent us from meeting with them now and having an understanding as to what shall be done in these markets.

Very frankly, it is about time that Canada and the United States got together to decide what to do with surplus wheat, rather than competing as if we were enemies. I have noticed that some of the leaders in Canada have suggested a kind of world food bank. In fact, the present Prime Minister of Canada suggested a world food bank. That was not suggested by our Government. No, we will not cooperate on that basis. The Canadian Prime Minister suggested that we work out some of these problems through the United Nations. I commend him for his suggestion.

I do not wish to be put in the position of saying anything or doing anything which would injure our relationships with our neighbor to the north. I repeat there is no real reason why anybody or any nation should be injured. What we are asking is that the Secretary of Agriculture be permitted to barter up to \$500 million. That is up the ceiling. The bill does not say to him "You have to go that high." It says "You can go up to \$500 million."

I grant, that is a desirable goal, but if the Secretary finds, as we have said in our report, that it cannot be done on a business-like basis, with prudent judgment, following sound business practices, with respect for our national interests, then indeed he is not required to do it. I would be the first to receive suggestions in a friendly manner as to how to improve the situation.

Mr. LAUSCHE. I thank the Senator very much.

Mr. ELLENDER. Mr. President, during the debate yesterday the distinguished Senator from West Virginia [Mr. BYRD] asked several questions of me with regard to the disposition of surplus commodities under title I. One of the questions the Senator addressed to me was—

Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

My answer was, in effect, that the Secretary should without doubt, in my judgment, use commodities in surplus for home consumption if there is need for it, rather than to contract for their sale abroad.

When I gave the answer, Mr. President, I had overlooked the fact that under date of February 3 I had written the Department of Agriculture suggesting the possibility of obtaining additional surplus foods, especially fats and butter, for distribution to economically distressed families in Louisiana. I received an answer which came to my attention only this morning. In the last paragraph of the letter appears the following:

The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This butter has been under constant review for several weeks. However, in view of the

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needs for school-lunch programs (approximating 66 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far, not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

That paragraph seems to be at variance with what we were discussing yesterday, but during the colloquy and thereafter I was notified by the Department of Agriculture that butter would be made available immediately to needy families in Louisiana. I presume the same thing applies to the cases cited by my good friend from West Virginia.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. The colloquy of yesterday, which appears in the Congressional Record of March 18, 1958 at page 4116, was brought about as a result of inquiries made over a considerable period of time on the question of distribution of surplus food under the control of the Department of Agriculture, to the States in the particular areas where there might be need for food.

For 3 or 4 weeks I have had this question up with the Department of Agriculture, not only with respect to sending more foods into particular areas, but also getting a quicker distribution of it, and, if possible, to get a greater variety of food.

The Department of Agriculture has been most cooperative and helpful. It responded at once. My colleague, the junior Senator from West Virginia (Mr. HOWARD), the Governor of my State, and Dr. Egbert, head of the Dependent Persons Administration of West Virginia, have also manifest their interest in this problem. We have found the Department to be extremely cooperative in increasing amounts, in having conferences with those in charge of distribution, and in bringing about a quicker and wider distribution in particular areas where food was needed.

In the course of that inquiry and my efforts to obtain a wider variety of food, I asked that the great need for fats be met, and that they be added to the list of foods. I hoped something like lard or some of the vegetable oils would be added to the list of foods. However, I learned that such commodities were not available in the Department of Agriculture as surplus foods, but that a large quantity of butter was in storage. Thereupon, I asked that butter be added to the list of foods for distribution.

I was informed, through an inquiry made by a member of my staff, that under the existing law, sales abroad of surplus food commodities took precedence over distribution of foods for needy persons in this country. I thought that was totally unsound, and, thereupon, I raised the question on the floor yesterday, as the Record shows.

I was advised later that butter would be added to the list of foods distributed, but there was a large quantity of it on

hand, and that distribution would begin immediately, as soon as it was packaged. So I am delighted at the result. I am very much pleased that the Secretary of Agriculture has taken a position contrary to the information which was originally given me, and has agreed to distribute the butter available with other food available for distribution.

I hold in my hand a formal statement made by the United States Department of Agriculture, dated Washington, D. C., March 19, 1958, stating that butter is being added to the list of foods distributed in needy areas. I congratulate the Secretary of Agriculture. I commend him for the position he has taken in seeing to it that, where there is need in this country for food, commodities within his possession will be distributed to needy persons.

I ask unanimous consent that the statement to which I have referred be printed in the Record at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

USDA TO DONATE SURPLUS BUTTER FOR DISTRIBUTION TO NEEDY

The United States Department of Agriculture announced today the addition of surplus butter to the foods currently being donated for distribution to needy persons within the continental United States. This action was made possible as a result of heavily increased price-support purchases of butter during recent weeks. The butter will become available to recipients at the local level as soon as it can be processed into 16-pound packages and shipped.

During the past year and a half supplies of surplus butter acquired by the Department have permitted distribution only for use in school lunch programs and by charitable institutions. In recent weeks, price-support purchases of butter have risen to an apparent rate that would permit extending the distribution of this food item to needy persons with reasonable assurance of adequate supplies continuing available for this purpose for at least the next few months.

In addition to butter, the surplus food items currently available for distribution to needy persons includes nonfat dry milk, cheese, rice, wheat flour, and corn meal.

Under its distribution program the Department of Agriculture donates surplus foods to those States that have entered into agreements to distribute these foods to needy persons certified as eligible recipients in local participating communities. At present approximately 40 States, the District of Columbia, and Puerto Rico are taking part in the distribution of surplus foods to needy persons in family units.

Mr. REVERCOMB. I thank the able Senator from Louisiana for yielding to me. I feel that our discussion of yesterday clarified a situation of considerable importance.

Mr. ELLENDER. Mr. President, as I pointed out yesterday, I did not see anything in the law which would give authority to the Secretary of Agriculture to donate surpluses abroad when there is need for them at home.

I ask unanimous consent to have printed in the Record at this point as a part of my remarks the letter of March 14, 1958, from the Assistant Secretary of Agriculture, to which I have just referred.

There being no objection, the letter was ordered to be printed in the Record, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1958.
Hon. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: This letter is in reply to yours of February 8 regarding the possibility of obtaining additional surplus foods, especially fats or butter for distribution to economically distressed families in Louisiana.

We regret that additional surplus foods are not available at this time for this purpose. You know of course that the only sources of surplus foods for welfare donations are the Department's acquisitions under price support and surplus removal legislation. There are no current holdings or surplus supplies of farm foods like lard, shortening, and cottonseed oil, which are sometimes acquired in surplus diversion operations to stabilize the producers' prices at peak marketing seasons. Due to the favorable market conditions relative to these segments of the farm industry, no price stabilizing action has been warranted this fiscal year.

The only surplus foods in federally owned inventories and now available in adequate supply for nationwide donation to eligible needy families are price-support commodities like process cheese, nonfat dry milk, rice, meal, and flour. These food items are available to the full extent that eligible recipients can constructively utilize them without waste.

The holdings of surplus butter have been quite limited for many months, with available supplies since September of 1956 being inadequate for all eligible outlets. After a peak inventory of 466 million pounds of surplus butter in mid-1954, when all eligible outlets received donations, the Federal stocks gradually dropped to zero in March of 1955. Federal shipments of surplus butter for family-welfare distribution were suspended as of September 30, 1956, and have not been resumed; donations for use by needy and indigent persons in charitable institutions (including hospitals, orphanages, homes for the aged, child-care centers, etc.) were stopped during the period from October 1956 through July 1957.

Section 416 of the Agricultural Act of 1949, as originally enacted, expressly set forth an "order of priority" for recipients eligible to receive donated food commodities. The present section, as amended by section 302 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 490, 83d Cong.), omits any specific requirement of priority for donation of food commodities for use within the United States, and merely prescribes the permissible domestic outlets without specifying an order of priority as did the earlier version of the section. Donations are authorized on such terms as the Secretary may deem in the public interest. Consequently, it has been determined by the Department over the past several years to be in the public interest to distribute section 416 commodities, as well as those donated under authority of section 33 of Public Law 490, 74th Congress, in the following order: (1) to schools, (2) to charitable institutions, and (3) to needy persons who are public-welfare recipients.

Of course, no priority problem arises except when the available supply of a commodity is insufficient for donation on a nationwide basis to all eligible categories. When quantities are limited, institutions are given priority over welfare recipients largely because the quantities remaining after school lunch distribution would not be sufficient to reach all welfare recipients. We are sure you know that in order to be eligible

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duction of the bill, which was designed to approve the food supplies for Korea, to combat their inflation, and at the same time to provide a practical way for us to dispose of some of our surpluses and to acquire currencies which would save dollars in the rehabilitation of Korea.

Following his visit, Dr. Yang wrote to me a letter, which was dated March 25, 1953. In the letter he reviewed the needs of Korea, and supplemented what I have indicated regarding the desirability of legislation along this line.

I ask unanimous consent that Ambassador Yang's letter of March 25, 1953, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

KOREAN EMBASSY,

Washington, D. C., March 25, 1953.

The Honorable Senator FRANK CASE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CASE: It was a great pleasure for Mr. Han, our counselor, and me to meet you and your assistant this morning, and I want to thank you for taking time out to talk with us.

Again, I wish to repeat what I have written to you and what I have told you—namely, that I am very grateful to you for having given serious thought to the whole problem of relieving our very grave economic needs in Korea.

In compliance with your request, I wish to state the following:

As you well know, this horrible war has been going on for the last 3 years in Korea, and more than 1,000 villages have either been destroyed or seriously crippled. More than 50 cities and towns have met the same fate during the course of the fighting in Korea. Ten million of our people have been made homeless, and there are more than 100,000 innocent children who have become orphans. Suffering from the north, bombing from the south, and bombing from above, there is a great deal of destruction in Korea, and this explains why most of our agricultural production has been seriously disrupted. Furthermore, there are virtually no facilities for the production of consumer goods.

I am sure that you can understand very readily why we need help. We have to feed these homeless people, we have to clothe them, and particularly the unfortunate orphans must be fed and clothed also.

Naturally, the food problem is one of the most acute difficulties our people face. We have to supply our population and particularly our armed forces, and, despite the fact that many well-meaning non-Korean organizations have been assisting us, the problem still remains serious. That is why whatever you can do in this respect would be a tremendous contribution to the betterment of the general well-being of our people. Grains such as barley, wheat, rice, corn, soy beans, and even flour would be most welcome to us. Any poultry products as well as other meats would be an invaluable addition to the task of meeting the shortage of food in Korea. However, dairy products such as cheese, butter, and liquid milk would not be suitable, because the Korean dietary habits have not as yet been developed to include a taste for these items. On the other hand, it is my firm belief that powdered milk would be very useful, particularly for the children in Korea.

Any assistance that can be given to relieve the suffering of our people, particularly with

regard to the need for food and clothing materials such as woolen and cotton goods, would mean a tremendous uplift in the morale of my countrymen.

I am sure that you will agree with me that, if the families and dependents of our soldiers in Korea as well as the police, who also have shared the burden of fighting in Korea, are given a more ample supply of food and clothing, the morale of our fighting soldiers and police would be greatly strengthened. Such help would make a direct contribution to the even more essential military operations in Korea.

As I told you this morning, due to the poor living conditions, because of the war, 80 percent of our people are tuberculous cases. If something is not done to alleviate this situation, it may mean national suicide.

You may remember my comment to the farm animals. The losses in virtually all forms of livestock have been very heavy, and there has been a very sharp decline in the number of draft animals for tilling the soil. I am sure that in ameliorating this condition it would mean an increase of agricultural produce in Korea.

I also called to your attention our need for ships. Early in 1952 a bill was introduced by Senator WARREN MANGRUM to authorize the transfer of 50,000 tons of ships to be used by Korea. This was passed in the Senate, but to our great regret, the bill failed to get recommendation in the House.

In the last few years, kindhearted American people, through their churches, other organizations, and, in many cases, individuals, have collected large quantities of relief goods for our refugees in Korea. May I call to your attention that many times in the past these goods have failed to reach Korea because of the lack of transportation.

If we had, for example, 10 Liberty-type ships, there could be a continuous flow of transportation not only for our relief goods but also for grains that have been purchased now in the process of being sent to Korea. It would mean further that these ships could go to Korean ports directly instead of stopping first in Japan. This would eliminate piling up of goods due to lack of shipping space. Our Government, despite its very difficult financial situation, has been using its meager dollar funds for the purchase of grain in this country and elsewhere as well as for the transportation of these grains at a cost of up to \$18 per ton. If we had these ships, the cost for transportation could be greatly reduced, and, naturally, this reduction would help us immensely. Ten of these ships could transport 40,000 to 50,000 tons of cargo per month.

The above is about the gist of our conversation this morning, and if there is anything I can do, please do not hesitate to call on me.

Very sincerely yours,

Yeu Chan Yang,
Korean Ambassador.

Mr. CASE of South Dakota. Mr. President, there has been an interesting sequel to all this. First of all, there has been legislation which we have come to know as Public Law 480. The idea of selling surplus agricultural commodities or exchanging them for foreign currencies was one which caught on very rapidly, and numerous bills were introduced subsequently to implement the idea and to extend it to the broad field of other countries, as well as to Korea.

I think one of the most interesting incidents that has happened has been the recent signing of a special agreement with the Republic of Korea, providing

for the sale of \$50 million worth of United States agricultural commodities.

I have in my hand a press release issued by the United States Department of Agriculture on February 5, 1953, almost 5 years from the beginning of the idea, in which the Department of Agriculture announced an agreement with the Republic of Korea for the purchase by that country of \$50 million worth, including certain ocean transportation costs, of United States surplus agricultural commodities. The release states that the agreement was negotiated under title I of Public Law 480.

Then the statement by the Department goes on to list the commodity composition of the agreement, which included \$24.5 million worth of wheat; \$13.5 million worth of barley; \$2.1 million worth of grain sorghums; \$1.5 million worth of corn; and \$9.5 million worth of ocean transportation. The release states that "Sales under this program will be made by private United States traders. Details of purchase authorizations will be announced later."

The release further states:

The agreement provides that \$2 million equivalent of the hwan (Korean currency) obtained as sales proceeds will be set aside as loans to United States and Korean private enterprise. These loans will be made by the Export-Import Bank of Washington, Washington 25, D. C. Information concerning these loans can be obtained from that agency.

(Further information regarding this program may be obtained from the Foreign Trade Programs Division, Foreign Agricultural Service, U. S. Department of Agriculture.)

Mr. President, the signing of that agreement was witnessed by several members of Congress. I considered it to be a privilege to be among those invited, although I had no prior notice of the date at which the signing was going to take place. A number of us were invited to the ceremony. My friend and colleague, the distinguished Senator from California (Mr. KUCHEN), was among those invited, as was also the Honorable ORRO KUTNER, a Member of the House of Representatives from the State of North Dakota. Other Representatives were present, including Representative CHARLES M. TRAGUE, from California; and also some attachés, the Under Secretary of Agriculture, True D. Morse, and His Excellency, the Korean Ambassador, Dr. Yeu Chan Yang, who had, 5 years before, come to call on me to express his appreciation of the initiation of the proposal.

On that occasion, the Under Secretary of Agriculture, Mr. Morse, made a statement, as did Dr. Yang, the Korean Ambassador.

I ask unanimous consent to have printed at this point in the Record the statement of Under Secretary of Agriculture True D. Morse, in connection with the Public Law 480 agreement with Korea, as made by him and read to the group present on the 6th of February 1953.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF UNDER SECRETARY OF AGRICULTURE
FRANK D. MOORE IN CONNECTION WITH
THE PUBLIC LAW 480 AGREEMENT WITH KOREA

UNITED STATES
DEPARTMENT OF AGRICULTURE
Washington, February 5, 1958.

I am happy to have the press here this morning to announce that a commodity agreement was signed earlier today in Seoul with the Government of the Republic of Korea for the sale to that country of \$50 million worth of United States agricultural commodities.

A brief ceremony has been arranged here with His Excellency, Dr. You Chan Yang, the Korean Ambassador to the United States along with some members of Congress.

This agreement has been negotiated under Title I of Public Law 480 which provides for financing the sale of surplus agricultural commodities for foreign currency. The agreement provides for the sale of \$34.5 million worth of wheat, or about 400,000 metric tons; \$12.1 million worth of barley, or about 385,000 metric tons; \$2.1 million worth of grain sorghums, or about 50,000 metric tons; and \$1.5 million worth of corn, or about 30,000 metric tons. In addition, the United States will finance ocean transportation costs estimated at \$0.6 million.

Mr. Ambassador the negotiation of this agreement gives me much personal satisfaction. It brings the market value of title I agreements with your country to more than \$180 million. I believe the conclusion of these agreements points up the ability of our countries to work toward the solution of problems of common concern.

The commodities to be sold under the new agreement will be helpful to us in our efforts to move agricultural surpluses in a constructive manner. The sale, totaling about 768,000 metric tons of food and feed grains, will be welcome to our grain producers.

Mr. Ambassador, we hope this agreement will be of assistance to your country. In addition to help that the commodities will be an increasing available supply leads in Korea, a very substantial portion of the funds the United States receives in payment for them will be used to assist in the support of Korean military forces. A portion will also be used for loans to United States and Korean private business firms through the Export-Import Bank of Washington with the approval of the Korean Government.

Now, Mr. Ambassador, we would be happy to hear from you.

Mr. CASE of South Dakota. Following that, Mr. President, I ask unanimous consent to have printed in the Record, in full text, the statement by Dr. Yang, made at the same ceremonies on the 5th of February 1958.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY DR. YOU CHAN YANG, KOREAN AMBASSADOR TO THE UNITED STATES, IN CONNECTION WITH THE PUBLIC LAW 480 AGREEMENT BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES OF AMERICA

It is a very great pleasure as well as a privilege for me to respond to your words on behalf of my people and the Government of the Republic of Korea.

As you point out, this is a further evidence of the splendid relations existing between our two countries, and the commodities which we will receive as a result of this Agreement which has been so quickly negotiated under Title I of Public Law 480 will be of tremendous assistance in improving our general economy. Furthermore, our armed forces, as well as our business and industrial communities, will be in a position to benefit because of the amount of money to be used for credit and development

I am sure you all realize that my country is still doing its utmost to repair the ravages of Communist war. This has been a most difficult task. In fact, without the material aid of a direct nature which we have received from America in the past, it would have been a virtually impossible task. But I am happy to tell you gentlemen that the Korean people have willingly shouldered their many burdens and responsibilities, because they have realized that the country which was their chief partner in the fight against aggressive communism is today their chief partner in rehabilitation and reconstruction.

We Koreans wish to help ourselves as much as possible, and there is visible proof all over my country of this desire. This feeling has become the keystone of nearly all of our activity, because, and I say this with pride, we are a hardworking people, and we have never wanted to be on any international headlines.

The agreement signed today provides for the sale of surplus agricultural commodities to Korea further confirms the cooperation of both my government and my fellow citizens of Korea to put our nation on a completely self-sustaining basis. At a steady flow of these commodities is made available, our factories will have material to make the finished products my country needs so urgently.

With the help of God and the cooperation of the American Government and its people we are bringing this determination to a happy and prosperous realization. But I repeat, our achievement would not have been possible had it not been for American understanding and assistance.

Mr. CASE of South Dakota. When the President submitted a report to the

Congress on the 4th of February 1958—that was the day just prior to the signing of the agreement with Korea—he stated;

Since the beginning of the program, agreements for the sale of agricultural commodities for foreign currency under title I total \$3,843.2 million estimated OCO cost (\$3,300.8 million at export market value), of which \$322.8 million (\$206 million at export market value) represents agreements signed during the period covered by this report.

I thought the sale of almost \$3.5 billion worth of agricultural commodities for foreign currencies under title I was a remarkable record.

Mr. President, I ask unanimous consent that the portion of the President's statement which appears under the heading "Title I. Foreign Currency Sales, Agreements Signed," and consisting of pages 2, 4, 5, and 6, down to the heading "Programs Carried on Through the Use of Public Law 480 Foreign Currencies," may be printed in the Record at this point.

There being no objection, the portion of the statement was ordered to be printed in the Record, as follows:

TITLE I. FOREIGN CURRENCY SALES
AGREEMENTS SIGNED

Seven agreements, or supplements to agreements, involving a OCO cost of approximately \$322.8 million, were entered into with seven countries during the period July-December 1957. The commodity composition, export market value, and OCO cost of these agreements are shown in table I:

TABLE I.—Commodity composition of agreements signed, July-December 1957

Commodity	Unit	Approximate quantity	Export market value	OCO cost
Wheat and wheat flour	Bushels	151,994,000	\$87.9	\$129.8
Feed grains	Bushels	\$1,534,000	40.8	61.9
Rice	Hundredweight	2,192,000	14.4	22.6
Cotton	Bales	122,800	16.8	26.7
Tobacco	Boxes	4,731,000	2.7	2.7
Dairy products	Boxes	14,734,000	12.4	22.0
Fats and oils	Barrels	10,794,000	2.4	2.4
Fruits	Boxes	82,000	1	1
Total commodities			180.4	205.2
Ocean transportation			94.6	94.6
Total, including ocean transportation			205.0	322.8

1 Wheat and wheat equivalent of flour.
2 Corn, 30,700,000 bushels.

One hundred and seven agreements, or supplements to agreements, with a total OCO cost of \$3,843,200,000, have been entered into with 85 countries since the inception

of the program. The commodity composition, export-market value, and OCO cost of these agreements are shown in table II.

TABLE II.—Commodity composition of all agreements signed through Dec. 31, 1957

Commodity	Unit	Approximate quantity	Export market value	OCO cost
Wheat and wheat flour	Bushels	1,807,252,000	\$851.2	\$1,462.4
Feed grains	Bushels	107,778,000	135.4	244.5
Rice	Hundredweight	26,807,000	165.0	280.1
Cotton	Bales	2,813,400	405.8	605.2
Tobacco	Boxes	13,400	3	3
Dairy products	Boxes	180,962,000	40.4	60.4
Fats and oils	Barrels	165,691,000	112.4	112.4
Fruits	Boxes	182,288,000	25.7	26.3
Dairy	Boxes	1,777,785,000	277.6	283.2
By edible beans	Bushels	2,000,000	1.2	1.2
Fruits and vegetables	Bushels	44,000	4	4
Fruits	Bushels	124,834,000	5.9	5.9
Fruits	Bushels	8,000	4	4
Total			2,052.3	3,003.7
Ocean transportation			247.5	247.5
Total, including ocean transportation			2,300.8	3,251.2

1 Wheat and wheat equivalent of flour.

2 Corn, 66,816,000 bushels. Oats, 8,902,000 bushels. Barley, 32,162,000 bushels. Grain sorghums, 12,012,000 bushels.

shipments since the beginning of the program totaled approximately \$1,050 million at export market value through December 31, 1957, of which about \$350 million was shipped during the reporting period. The export market value of commodities procured under all agreements signed through December 31, 1957, was \$2,043.3 million (excluding ocean transportation costs).

Shipments during the reporting period dropped sharply from the high levels attained in the January-June 1957 period because of reduced programming during calendar year 1957. The reduction in programming resulted from the limited availability of funds during the first 11 months of calendar year 1957 prior to extension of the program by the Congress and the time required to develop and negotiate country agreements following the increase in authorization. It is expected, however, that shipments will increase substantially during the next 6 months.

USUAL AGREEMENTS

In accordance with the provisions of title I, appropriate assurances have been obtained from participating governments which require reasonable safeguards that sales of agricultural commodities for foreign currencies shall not displace United States usual marketings or be unduly disruptive of world market prices. Also, sales for foreign currencies under title I generally have been made at prices comparable to those prevailing in the market for export sales for dollars.

USE OF PUBLIC LAW 450

The sixth semiannual report provided statistics on exports under Public Law 450 compared with total exports during the fiscal year ending June 30, 1957. A similar analysis will be made in the next report for the year ending June 30, 1958.

ACCOUNTING FOR TITLE I

The OGC cost of commodities included in agreements signed through December 31, 1957, is estimated at \$3,003.7 million. This includes the costs of acquisition of commodities at domestic support prices, storage, processing, and inland transportation. In addition, OGC will pay ocean transportation costs of \$347.8 million for commodities required to be shipped on private United States flag vessels. These commitments total \$3,351.5 million.

The United States Government will receive foreign currencies in payment for the export market value of these commodities and the ocean transportation charges. The export market value of these commodities is \$3,003.3 million, which is \$1,048.4 million less than their cost to OGC.

The total OGC cost of \$3,351.5 million is charged to agricultural programs as a surplus disposal operation. At the end of each fiscal year the realized loss is calculated and an appropriation is requested to reimburse OGC. Appropriations totaling \$704 million have been made to reimburse OGC for losses realized through June 30, 1956. An appropriation of \$1,290.6 million for costs during fiscal year 1957 will be requested at this session of Congress.

Mr. CASE of South Dakota. Mr. President, the portion of the President's report which deals with the programs carried on through the use of foreign currencies under Public Law 450 is most interesting, but it had been dealt with in some of the statements heretofore made.

At this point I merely wish to read into the Record one paragraph which appears on page V of the President's report, under the title "Military Housing." I shall read the portion because it is brief and because I want to make a

direct comment on it. The President said:

Use of foreign currencies for the construction of military family housing started as authorized by Public Law 451, 44th Congress, supplements the current Defense Department construction appropriation. On the other hand, over the years, dollar reimbursement of the capital cost of the housing will be made to OGC out of appropriations for the quarters allowances of the personnel occupying the housing. It is estimated that 15 to 20 years will be needed to effect full reimbursement without interest, assuming full occupancy and normal maintenance costs. Through December 31, 1957, \$78 million in foreign currencies had been allocated for this purpose.

I invite attention to that language, Mr. President, because the possibility of using agricultural surplus commodities for the acquisition of military housing overseas and for supplying funds for financing other military requirements overseas is one which appealed to me very strongly. In the Fall of 1953, following the introduction of legislation proposing sale of agricultural commodities for foreign currencies, it was my privilege, with the then Senator Duff, of Pennsylvania, and the Senator from Mississippi (Mr. Stewart)—the three of us comprising a Subcommittee on Military Construction—to visit several countries overseas, and to investigate our military construction requirements.

We were in Spain at the time the base agreement was being negotiated with Spain, under which certain Air Force installations were to be constructed. We noted that Spain that year had a drought and was going to be short of wheat. We proposed in connection with the visit and subsequently that efforts be made to acquire Spanish currency in the form of pesos, which might be stored more readily than wheat and used to pay some of the construction costs.

There was some delay in having the suggestion carried out, so on the 27th of January 1954, the first month of the congressional session following our visit overseas, as chairman of the Subcommittee on Real Estate and Military Construction of the Committee on Armed Services of the Senate, I conducted hearings, at which were also present former Senator Duff, the Senator from Mississippi (Mr. Stewart), and the late Honorable Pat McCarran, a United States Senator from Nevada. We invited representatives from the Department of Defense, the Department of State, and the Department of Agriculture to investigate ways whereby surplus commodities might be more widely utilized in meeting our construction costs for the bases in Spain. Present representing the Department of State was the Honorable Samuel C. Wagon, Assistant Secretary of State for Economic Affairs; also present were Mr. John H. Davis, Assistant Secretary of Agriculture, and Rear Adm. Joseph F. Jelley, Director of Construction for the Department of Defense. Admiral Jelley was the person to be in charge of the construction work in Spain.

The hearing record on that occasion made about 27 pages. I shall not ask to have the hearing printed in the Record

at this time, but I cite it for reference. The hearing was held January 27, 1954, and the record is available, printed for the use of the Committee on Armed Services.

The hearing explored the possibilities as to the use of agricultural commodities and laid the foundation for the sale of a considerable amount of wheat to Spain, which was converted into Spanish currency and subsequently used in meeting construction costs there.

In the military construction bill of 1954—I think it is the one to which the President alluded in his report—we placed a special paragraph authorizing and directing the use of agricultural commodities for the acquisition of foreign currencies to the maximum extent possible for utilization in our foreign military requirements.

So all in all, Mr. President, the program of utilizing our agricultural surpluses to acquire currencies which might be utilized either in meeting our direct cash requirements abroad or in improving our ability to carry on programs of economic reconstruction in countries abroad has been a most useful one.

I thoroughly support the extension of the act as provided in the forepart of S. 3420, which is under consideration. Title I should be extended as therein recommended.

I should personally like to see the act strengthened by strengthening the provisions relating to barter for commodities which are not produced in this country in sufficient quantities to meet our requirements. I hope, however, that in the further consideration of that portion of the bill which is represented by sections 5 and 6 we shall eliminate the requirement that nonstrategic materials be admitted duty free, and, further, that we shall not require the purchasing officers or procurement officers of other Government agencies to get their materials first of all from such imported commodities.

It seems to me that the importation of commodities acquired by the disposition of one surplus in the agricultural field should not be executed in such a way as to depress the markets of the producers of commodities in other fields—in the mineral field or possibly even other agricultural fields. I think when we acquire commodities from abroad which are subject to less deterioration in storage, we should take advantage of the storage quality and store them for times of emergency, or, more especially, periods of short supply. We should not permit such commodities to become depressants to other segments of our economy.

I hope in the further consideration of the bill now pending that matter will be kept in mind, so the bill can be improved in that respect.

Mr. President, I have an amendment which I should like to offer so it can be printed for the information of the membership of the Senate. The amendment, which is in the nature of a perfecting amendment, proposes to place a period in line 9 on page 4, after the word "Corporation", and to strike out the remainder of the sentence.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

MR. CASE of South Dakota. After that amendment and the related amendments are disposed of, Mr. President, I intend to call up for consideration the amendment I previously proposed and had printed, namely, the one which would place the currency received under the authority of title I in a special fund in the Treasury, to be designated a "Foreign Currencies Fund." I shall discuss the amendment at the time I call it up.

Mr. President, I yield the floor.

MR. SYMINGTON. Mr. President, we are engaged in a great struggle with the Communist bloc countries, the outcome of which will determine the future of millions of the world's population. Our goal in this struggle is a free world, characterized by permanent peace, where the dignity of man reigns supreme.

If we are to win this struggle, if we are to attain that goal, we must use every tool available.

In Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—we have one of the most important tools. Through that law we have an opportunity to do one of our most important blessings: an abundance of food, in this struggle for world peace.

Putting it mildly, the Communist leaders recognize the importance of food. In a speech last May, Nikita Khrushchev, Communist Party chief, emphasized the importance of food "to influence the minds of wavering who were skeptical of Communist ideology."

In this same speech, the New York Times quoted Mr. Khrushchev as saying: "We are not going to blast the capitalist world with bombs, but if we attack the United States in the level of meat, milk and butter production per capita we shall be releasing a mighty torpedo at the backbone of capitalism."

In spite of Russian claims of superiority in many areas, some of which claims we know are true, they readily admit our superiority in the production of food and fiber.

Unless we use the results of our productive agricultural capacity to further our cause in the struggle for peace, however, we are wasting this superiority.

Is it not paradoxical that, with the future of the free world at stake, we hear unending discussion about burdensome surpluses, when millions of people throughout the world, some in our own country, go to bed hungry?

Why cannot we use some of our agricultural productivity as a blessing and not as a burden?

Public Law 480 offers a unique opportunity to this end.

In addition, it serves to stimulate and develop markets for American products in foreign countries, because through the use of foreign currencies it gives other countries the opportunity to purchase our products, which otherwise they would not be able to do.

Finally, it is clear that Public Law 480 provides the means whereby surplus agricultural commodities not needed for domestic uses can be utilized as an im-

portant phase of our foreign policy program.

Mr. President, the Missouri Farmers Association is the largest farm organization in Missouri. Its president, Mr. Fred V. Heinzel, is one of our most distinguished citizens. I ask unanimous consent that an article by Mr. Heinzel, entitled "Food Can Lead the Way," which appeared in the December 1957 issue of the Missouri Farmer's magazine, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Food Can Lead the Way

(By Fred V. Heinzel)

Amid the clamor of launching objects into outer space, we in the United States continue to ignore the possibility that we're losing our position as world leaders in food. But I maintain that this nation today has overlooked an area which, if properly used, could turn the tables on the Communists.

Our Sputnik is the ability to produce an abundance of food. What we can work for a way to eat the people of the world around America's dinner table, the Communists' detractors might just as well throw in the sponge.

Nikita Khrushchev, the talkative Soviet Communist Party chief, recognizes the importance of our agricultural production and calls it the mainstay of capitalism. In a speech to a gathering of farm directors and specialists in Leningrad a short time ago, Khrushchev said: "We are not going to blow up the capitalist world with bombs. If we overtake the United States in the per capita production of meat and butter and milk, we shall have hit the pillars of capitalism with the most powerful torpedo yet used."

The Russian dictator went on to say that if the Soviet Union could accomplish this agricultural feat it would make people look to his side in an increasing number. He then predicted that the Soviet Union could catch up with the United States in this respect within a year.

Should we fail to make the most of our present lead in the field of agriculture, I predict that within a few years we will have more trouble than all the launchings of missiles, planets, and the like.

Samuel C. Cooper, distinguished former Ambassador to India and now a Republican Senator from Kentucky, is familiar with the problems of the world's underdeveloped areas. In a talk last August, Cooper made this statement:

"We should not underestimate the crucial importance of food to abundance which has seldom had enough to feed the people. In the newly independent countries of the world, governments are faced with sharp and insistent demands by their people for more food and clothing—simple things, which we take for granted—the first demands which the achievement of political freedom has permitted them to voice. If the democratic governments of these countries cannot meet this first and basic need, their people will question democratic methods and may in time look for other systems of government."

Why is it that we have such difficulty in recognizing the blessing of our abundance of food? Why, when such a vast majority of the world's population goes to bed hungry every night, do we instead waste and apologize for our surplus of food? How can we be so shortsighted as to look on our abundance as a surplus when such conditions exist?

Perhaps one reason why we fail to appreciate the potential of our agricultural abilities is that in America hunger is just another six-letter word. It means our main

worry is over the possibility of war—and the thought of a worldwide conflict is certainly frightening. Yet to the vast majority of the people on the European and Asiatic Continents, the fear of war takes second place to that of famine.

WALTER HUMPHREY, Senator from Minnesota, recently stated: "A country such as ours, which has a very fine and modern and up-to-date agricultural economy, a country such as ours which has the God-given blessing of abundance instead of scarcity, ought to be using every means at its command to see this positive element, namely food, and build strength with it."

The express objective of communism is to dominate the world. The classic approach of a Communist nation is to emphasize industry even at the expense of starving the people—look at China, as well as Russia—and to parade its military might before its subjects and the world with the inferred threat that criticism or interference will be met with retaliation and oppression.

What have we done to counteract such Russian action? Does our approach prove that we are different? Can the man-in-the-street in India, Turkey, or Japan note any difference in the announcement of a parade of Russian tanks led by a hammer-and-sickle police guard, or a show of force by a fleet of battleships flying the Stars and Stripes? Are the Syrians aware of the difference? I doubt it.

We know that our forces are sent to protect, not dominate. But the common man in many nations of the world can, if at all, barely read or write. He can scarcely be expected to make decisions based on free-world versus communistic philosophy when he knows little about either. He believes what he sees, and what he is told by others.

It costs \$10 million to put a B-52 on the runway of a SAC airbase. How many tons of beef, how many bushels of wheat, how many cases of dried milk could America send across the sea for \$10 million?

I'll tell you. We could send enough to bring smiles to the faces of thousands of yellow-eyed youngsters; we could send enough to show the people in some starved country that we practice the Christian principles which we so often preach; we could send enough to make a start in strengthening the shaky economy of some nation on the verge of falling into the communistic trap.

Granting the desirability of a well-managed program of military assistance to our free-world friends, I would ask, What could we accomplish if we would go the second mile and work out a method to share with others our abundance of food? The reason this Nation enjoys such a high standard of living is because the efficiency of agriculture has made it possible for almost 90 percent of our population to go about building cars and homes and providing other conveniences without a need to worry about food.

In many nations of the world it is just the opposite—their problem lies in the fact that the bulk of their population is needed to produce food to keep people alive. We could provide them with food and release that manpower to build their industry and boost their standard of living. We could extend to the world the advantage which a highly productive and efficient agriculture has brought to America.

Such an approach would require a change in our thinking. It would mean a reevaluation of our agricultural resources. It would require the recognition of our productive abilities as a blessing rather than a problem. It would mean a realistic facing-up to what have been weak and biased excuses about the possibilities of expanding world trade. It would mean laying bare the selfish interests which have too often directed our steps. But it could be the first major move toward peace in the history of the world.

And the United States could lead the way. This Nation is now contemplating an all-out effort to match Soviet accomplishments in the scientific field. I have no doubt we can do it. But I believe of greater significance is the fact that we now have at our fingertips the means for a peaceful solution to the world's real problem. When will we awaken to the realization that our agricultural ability is the greatest deterrent to war and the most powerful tool for peace today.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 19, 1958, he presented to the President of the United States the following enrolled bills:

- S. 147. An act for the relief of Guido Wilhelm Gramberg;
- S. 161. An act for the relief of Elias Foss Mikhael (Elias Joseph Michael);
- S. 285. An act for the relief of Paul (Paul) J. 1249. An act for the relief of Martha A. 1287. An act for the relief of Edwin August Schwarz;
- S. 1381. An act for the relief of John P. 1359. An act for the relief of Frans 1403. An act for the relief of Michael James Bolger;
- S. 1643. An act for the relief of Doreen I. 1600. An act for the relief of the (L-L Electric Co.; and
- S. 2110. An act for the relief of Shirley Locke Kilpatrick.

RECESS

MR. ELLENDELL. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to, and (at 6 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 20, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 19 (legislative day of March 17), 1958:

FEDERAL MARITIME BOARD

Thomas Edward Stakem, Jr., of Virginia, to be a member of the Federal Maritime Board for a term of 4 years expiring June 20, 1962. (Reappointment.)

UNITED STATES ATTORNEYS

Lawrence Paul Bois, of New Hampshire, to be United States attorney for the district of New Hampshire for a term of 4 years. (Reappointment.)

Theodore F. Bowen, of New York, to be United States attorney for the northern district of New York for a term of 4 years. (Reappointment.)

UNITED STATES MARSHALS

William Raab, of Nebraska, to be United States marshal for the district of Nebraska for a term of 4 years. (Reappointment.)

J. Bradbury Gorman, Jr., of New York, to be United States marshal for the northern district of New York for a term of 4 years. (Reappointment.)

George M. Glasser, of New York, to be United States marshal for the western district of New York for a term of 4 years. (Reappointment.)

B. Ray Cohoon, of North Carolina, to be United States marshal for the eastern district of North Carolina for a term of 4 years. (Reappointment.)

Dewey Howard Perry, of Vermont, to be United States marshal for the district of Vermont for a term of 4 years. (Reappointment.)

POSTMASTERS

The following named persons to be postmasters:

ALABAMA

James B. Somerville, Aliceville, Ala., in place of R. H. Kirkey, resigned.
Virgil Wallace Fuller, Five Points, Ala., in place of A. M. Causy, retired.
William C. Wilson, Edgemoor, Ala., in place of H. P. Haynes, deceased.
Howard R. Jordan, Leighton, Ala., in place of G. O. Spangler, retired.
John Lee Belts, Montroseville, Ala., in place of R. E. Yarbrough, retired.
Marvin E. McKee, Pinson, Ala., in place of G. B. Tyler, retired.
Sara Jo Green, Pleasant Grove, Ala., in place of Elizabeth Morton, retired.
Jack D. Pence, Somerville, Ala., in place of C. P. Johnston, retired.
Thomas O. Budder, Stevenson, Ala., in place of R. O. Mann, retired.
Newton J. Robinson, Verbena, Ala., in place of G. W. Deramus, resigned.

ARKANSAS

Vera M. Garrick, Hamitage, Ark., in place of J. I. Garrick, retired.

CALIFORNIA

Laura W. McNeil, El Cerrito, Calif., reestablished September 31, 1957.
Wallace R. Oate, Lakeside, Calif., in place of W. S. Oaks, removed.
Mary G. Mosby, Myers Flat, Calif., in place of G. P. Conney, resigned.
Harold A. James, Oroville, Calif., in place of P. R. Walsh, retired.
Morris E. Butz, San Joaquin, Calif., in place of M. G. Hernandez, resigned.

CONNECTICUT

Ralph F. Camp, Bridgewater, Conn., in place of B. E. Randall, retired.
William H. Hills, Heston, Conn., in place of A. E. Porter, retired.

HAWAII

Thomas M. Ehigeta, Halaia, Hawaii, in place of A. O. Kong, transferred.
Shinobu Morimoto, Papakoa, Hawaii, in place of J. L. Spalding, retired.

IDaho

Mary Jean Jones, Donnelly, Idaho, in place of E. E. Moore, removed.
Glen E. Levers, Payette, Idaho, in place of L. M. Bowman, deceased.

ILLINOIS

Chauncey C. Glosier, Decatur, Ill., in place of R. E. Hillman, resigned.

INDIANA

Geraldine M. Johnson, Ashley, Ind., in place of B. L. Gage, retired.
James B. Davis, Flora, Ind., in place of Chester Waggoner, retired.
Gerald W. Scott, Floyd's Knobs, Ind., in place of J. O. Best, retired.
Lowell M. Moore, Nappanee, Ind., in place of F. I. Troup, retired.
Arch Ralph, Sullivan, Ind., in place of C. O. Hall, retired.
Wesley William Mack, Wanatah, Ind., in place of L. J. Rosenbaum, transferred.

KANSAS

Eldon E. Kinsmann, Agre, Kans., in place of M. B. Hayes, transferred.
Vernon Ralph Bean, Anthony, Kans., in place of A. H. Poundstone, retired.
Eldor I. Duensing, Bremen, Kans., in place of J. J. Sedlacek, retired.
Wilbur Milton Talkington, Matfield Green, Kans., in place of J. E. Snedegar, retired.

Robert Anderson, Scammon, Kans., in place of P. J. Jolly, retired.

KENTUCKY

Kermit W. Cook, Beaver Dam, Ky., in place of E. M. Martin, retired.

LOUISIANA

Everett Hill, Pitkin, La., in place of C. W. Carson, retired.
Robert H. Welch, Robeline, La., in place of E. T. Outter, deceased.
Lillian T. Martin, Ruston, La., in place of E. D. McCallum, retired.

MAINE

John C. Swett, Howland, Maine, in place of E. F. McCloskey, retired.
Victor C. Brown, New Sharon, Maine, in place of V. O. Brown, retired.
Wilmot R. Grandisire, Vanceboro, Maine, in place of R. E. Swaney, deceased.

MARYLAND

Adam M. Kinsner, Hanover, Md., in place of F. O. Finnerty, resigned.
John R. Coran, Jr., Jefferson, Md., in place of W. R. Horne, retired.
William R. Long, Sharpsburg, Md., in place of B. A. Palmer, deceased.
Anna N. Moore, White Marsh, Md., in place of R. M. Moore, resigned.

MASSACHUSETTS

Marion P. Norman, Bellingham, Mass., in place of B. S. Thayer, retired.
Albert A. Gaukroger, Beverly, Mass., in place of B. W. Fegan, retired.
Sydney E. St. Peter, Conway, Mass., in place of C. J. Decey, retired.
Eleanor F. Ricker, West Chelmsford, Mass., in place of R. G. Anderson, retired.
Theodore A. Swica, West Groton, Mass., in place of M. M. Hill, retired.

MICHIGAN

Roger W. Bergdahl, Ishpeming, Mich., in place of J. T. Burke, removed.
Donald D. Iverson, Lake City, Mich., in place of C. C. Lerg, retired.

MINNESOTA

Erldolph F. Berg, Jr., Bagley, Minn., in place of W. C. Wiensch, retired.
Robert G. Westrup, Eden Valley, Minn., in place of L. B. Rothstein, resigned.
Kenneth L. Lutner, Reading, Minn., in place of F. W. Nord, retired.

MISSISSIPPI

Reiford W. Castens, Camden, Miss., in place of J. B. Rimmer, retired.
Joseph D. Buckalew, Richton, Miss., in place of S. W. Johnson, transferred.
Charles F. Crigler, Starkville, Miss., in place of R. H. Redus, retired.
James W. Anderson, West Enterprise, Miss., in place of I. L. Moore, transferred.

MISSOURI

Joseph E. Manson, Keytesville, Mo., in place of O. L. Davis, deceased.
Wayne N. Welker, Williamstown, Mo., in place of J. S. Smith, retired.

NEBRASKA

Leonard L. Larsen, Fremont, Nebr., in place of F. S. Perkins, retired.
Denny L. Stecher, Hooper, Nebr., in place of F. A. Ott, transferred.
Aaron E. Brodthagen, Pierce, Nebr., in place of B. F. Boyd, retired.

NEVADA

Myrtle M. Ourlis, Weed Heights, Nev., in place of A. M. Houck, resigned.

NEW JERSEY

Harold G. Tucker, Bayonne, N. J., in place of F. J. McGrath, deceased.
Wallace H. Harvey, Par Hills, N. J., in place of H. F. Sawyer, retired.
Warren J. Binns, Jr., Garwood, N. J., in place of J. F. Dugan, retired.
John A. Castellano, Mount Ephraim, N. J., in place of J. B. Beaton, retired.

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